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Vol. XXVIII No. 6

June 1925

CREDIT MONTHLY

The National Magazine of Business Fundamentals



*General Pershing Will Take Part in the Credit
Men's Ceremonies at Mount Vernon*

June 10, 1925

25 cents

\$3 a year



RENT INSURANCE

THE property has been destroyed or damaged by fire but—the loss goes on. Each month the owner loses his rent income until he can restore his property to its former condition.

If the owner should be occupying his own premises, he loses a rental value until he can fully make use of his property again.

Rent or Rental Value Insurance would have protected this owner. There would have been no loss of rents or rental value, if the owner had been properly protected.

Credit is interested in every modern means of protecting financial standing. Rent or Rental Value Insurance is part of a protective equipment against fire loss.

The
**PALATINE INSURANCE
COMPANY LIMITED**

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

Nationalize Your Credits

Credit Insurance

BUSINESS transacted on a credit basis requires the service of a credit man.

Credit cannot with safety be extended indiscriminately and only an experienced credit man is equipped to direct its extension wisely.

Credit insurance gives to the decisions of the credit man the force of certified judgments, fixing an absolute limit beyond which bad debt losses cannot go.

The vigilance of the credit man provides an essential safeguard against losses which may reasonably be anticipated and prevented.

Credit insurance provides an equally essential safeguard against those bad debt losses which no man, however sound his judgment, can foresee.

Maximum efficiency in the control of credits is obtained by the employment of a capable credit man and the purchase of a National Policy of Credit Insurance, which places behind your outstanding accounts the guarantee of the World's Largest Surety Company to prevent, else pay, all bad debt losses in excess of those inherent in your line of business.

Ask for Details of our Credit Insurance Policies

NATIONAL SURETY COMPANY

Wm. B. JOYCE, CHAIRMAN

E. A. ST. JOHN, PRESIDENT

E. M. TREAT, VICE-PRESIDENT

115 BROADWAY • NEW YORK

Agencies in All Principal Cities



The following examples illustrate varying conditions:

1—Value \$10,000
 Insurance required by
 [80%] Coinsurance
 Clause 8,000
 Insurance actually carried 8,000
 Loss 4,000

The clause is not operative for the reason that 80% insurance was carried as required by the clause, and the assured collects his whole loss or \$4,000.



2—Value \$10,000
 Insurance required by
 [80%] Coinsurance
 Clause 8,000
 Insurance actually carried 4,000
 Loss 2,000

The assured carried only one-half of the required insurance, hence collects but one-half his loss—the insurance company paying \$1,000 and the assured standing a loss of \$1,000.



3—Value \$10,000
 Insurance required by
 [80%] Coinsurance
 Clause 8,000
 Insurance actually carried 4,000
 Loss 8,000

While only one-half the required insurance is carried, inasmuch as the loss amounted to 80% of value, the insurance company pays the full face of its policy, or \$4,000.

80% Co-Insurance

*It's Object and
How It Applies*

THE object of the coinsurance or percentage average clause is to assess equitably the cost of insurance.

Good construction and protection, whereby only a partial loss may be expected, can be recognized by the insurance companies as good features of a risk only if some substantial percentage of insurance to value is carried. Unless such a principle is maintained a small percentage property loss may readily create a total insurance loss. Under such circumstances the property owner carrying but a small percentage of insurance would not be contributing his share to the general cost of insurance.

In order that good construction and good protection may be encouraged by adequate recognition in rates, a substantial percentage of insurance to value is essential. The property owner has to concern himself under the coinsurance or average clause with but two factors:—Value of the property insured and amount of insurance thereon.

If the loss should be total or exceed the percentage of value mentioned in the clause, the assured collects the whole amount of the insurance.

QUEEN INSURANCE CO. OF AMERICA

84 WILLIAM ST., NEW YORK

Incorporated in New York State 1891
 Statement, December 31, 1924

Total Assets	\$19,442,403.90
Liabilities	13,558,652.69
Net Surplus	5,883,751.21
Capital	3,000,000.00
Net Surplus to Policyholders	8,883,751.21

Department Managers

F. P. HAMILTON, Chicago, Ill.	J. H. LABELLE, Montreal, Canada.
S. Y. TUPPER, Atlanta, Ga.	T. E. PATTERSON, Halifax, N. S.
ROLLA V. WATT, San Francisco, Cal.	JOHN E. HOFFMAN, Mgr. Marine Dept., N. Y.

Trust Co. of Cuba, Agents Cuban Dept., Havana, Cuba

With the Editor

DETROIT newspapers of April 12, 1925, carried an advertisement, four columns wide, as follows:

\$12.60
Will give You
Delivery of a New
FORD
RUNABOUT OR TOURING CAR
Balance \$5 Weekly!

Through a new and convenient arrangement you can now get delivery of a new Ford Touring or Runabout with a first payment of only \$12.60. The balance can be paid in weekly amounts of \$5. Come in and find out about this easy, simple plan—slightly larger payments for other types.

SEE ANY ONE OF THE FOLLOWING
AUTHORIZED FORD DEALERS:

This is followed by the names of thirty-five Detroit dealers.

It would seem that the installment business was approaching the limit when twelve dollars and sixty cents in cash is enough to make a man the proprietor of an automobile!

cCc

DO you believe in a rigid no-compromise policy in dealing with debtor merchants in distress who offer settlements to their creditors? Read Mr. Eaton's Article "Will You Compromise?" in this issue and tell the CREDIT MONTHLY whether you think he is right or wrong on this subject.

cCc

ON several different occasions during the 1924-1925 season, the Chicago Association of Credit Men has broadcast many delightful features.

The many stations from which they have broadcast include: The Chicago Daily News Station, WMAG; the Edgewater Beach Hotel Station, WEBH; the Tribune Station, WGN; the Westinghouse Station, KYW; the Sears Roebuck Station, WLS; the Daily News Station, WMAG and Station KYW.

As an interlocutor of the microphone, Chairman James S. Cox, of the Public Relations Committee of the Chicago Association, is acknowledged a past master in the new art of radio announcing.

cCc

BUSINESS men guard themselves against burglars and gangsters, and then placidly allow themselves to be robbed by clever, smooth-talking crooks, who have in recent years taken an annual toll of over \$300,000,000 from American business," said the Assistant District Attorney of New York County at a recent luncheon of credit men.

"For years I have been advocating severe criminal prosecution of credit frauds. The fear of certain punishment by imprisonment is always more effective in curbing the activities of criminals than any amount of civil prosecution.

CREDIT
MONTHLY

THE NATIONAL MAGAZINE OF BUSINESS FUNDAMENTALS

(Member, Audit Bureau of Circulations)

Editorial and Executive Offices, 41 Park Row, New York.

Rodman Gilder, Editor

William Walker Orr, Consulting Editor

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"In the past, business men have been too prone to content themselves with merely endeavoring to regain their losses. When they have found a prospect of recovering even a small part of their losses they have been content and have not bothered to take further proceedings."

"Within very recent years it has been a pleasure to observe a change in the attitude of business men, and especially credit men, toward the credit crook who has imposed upon them. This change is due in a large part to the campaigns which have been waged with vigor by credit organizations."

**Instant Knowledge of Position Through ELLIOTT-FISHER Accounting Machines
is the Key to BUSINESS CONTROL**



MODERN mechanical science has made the submarine safe. Today the submarine commander at all times has instant knowledge of his position that gives him the power to control his ship. Modern science has created for the commander of a business the mechanical means of knowing instantly his financial position. Elliott-Fisher machines give that instant, accurate, intimate knowledge of position that enables an executive to control the destiny of his business. The flat writing-surface permits Elliott-Fisher machines to do more

work and more kinds of work than other accounting machines. The adaptability of the Elliott-Fisher makes standard models fit any kind of business, either large or small. In thirty-one years of successful service, Elliott-Fisher accounting machines have earned a world-wide reputation for speed, accuracy, and adaptability. Today the Elliott-Fisher Company is the largest exclusive manufacturer of accounting machines in the world. Elliott-Fisher Company, 342 Madison Ave., New York, N. Y. Branches in principal cities.

Kelly Springfield Tire Company says, "The Elliott-Fisher machines used in the Main Office on the customers' accounts enable us to know each evening at five o'clock the exact amount of our sales, the amount of our cash, and that we are in balance."

EFCO Carbons and Ribbons give best results

Elliott - Fisher

ACCOUNTING MACHINES with the FLAT WRITING SURFACE



This is one of a series of advertisements appearing in the Saturday Evening Post

Skipping

I ONCE knew a reader of the New York Times who was said to start in at the top of the first column, page one, and gnaw his way down column after column,—often 384 in all,—of news, near-news, propaganda, criticism, obits, advertisements large and small, and editorials, until at about 10.30 p.m. he finished with the last word on the southeast corner of the last page. We should perhaps admire his thoroughness. But it is worth noting that he was not a marked success in his business.

He is the worst case I ever saw of a man who had failed to master the valuable art of skipping.

We may learn to skip effectively without reaching the speed of President Roosevelt who, it is said, read books by the page, or the proficiency of those newspaper editors who at a glance seize the meaning of twenty or more lines of type.

Acquiring the habit of spending only enough time every day over ordinary letters, newspaper or magazine articles, or books, to grasp their contents, will net us several precious hours to apply to articles and books that are worthy of a thorough reading.

Rudman Gilder

Editor.



CREDIT INSURANCE!

"We Never Have Any Losses To Speak Of"?

LOSS from bad debts exists and has come to be an inherent factor in the transaction of business today. No lines are exempt.

The control of these losses is largely problematical.

It is for that reason that **LONDON CREDIT INSURANCE** is now employed by many concerns "who never have any losses to speak of." They realize that the law of averages, as well as the general fluctuation in business conditions and operations, creates a distinct need for the protection such a policy affords.

LONDON CREDIT INSURANCE is first a preventive element. Its service feature is a distinct aid to the Credit Department in the prevention of losses through the collection of slow accounts. It is also ready to absorb the shock of an abnormal or catastrophe loss.

And **LONDON CREDIT INSURANCE** is carried year after year, for its clients know the "super service" feature alone "is worth the cost of the policy."

Let us send you further details.

LONDON CREDIT INSURANCE

LONDON GUARANTEE & ACCIDENT CO., LTD.

HEAD OFFICE:

55 Fifth Avenue, New York City

OLIVER J. MATTHEWS, Mgr. Credit Insurance Dept.

C. M. BERGER, United States Manager

CRE

DIT

MONTHLY

Vol. XXVII

JUNE - 1925

No. 6

Bad Debt Losses Decrease

Lower Percentage Among Wholesale Grocers

By Frank A. Fall, Litt.D.

Director of Research and Education, N. A. C. M.

FROM 1916 to 1923 the percentage of bad debt losses to total net sales among the wholesale grocers of the United States showed interesting fluctuations. Through 1916 and 1917 the losses stood steadily at approximately 3/10 of one per cent. In 1918 they dropped to .0022 and in 1919 to .0015, the lowest average for the past decade. In 1920 they showed a slight increase, averaging .0020, and in 1921, as would be expected in view of the business depression then existing, they mounted suddenly to an average of .0057. During 1922 and 1923, with the business cycle entering a new phase, losses remained constant at .0040.

Early in the present year the Department of Research of the Association instituted an investigation of the losses of 1924, using for the purpose a selected list of nineteen outstanding wholesale grocery concerns. Eighteen different states and the District of Columbia were represented.

The first question asked was: "What was your percentage of bad debt losses to total net sales for the calendar year 1924?" The highest percentage reported for 1924 was .00625 or 5/16 of one per cent. The lowest was .000625 or 1/16 of one per cent. The average for the nineteen concerns reporting was .002929, or close to 3/10 of one per cent, which was the figure for the years 1916 and 1917.

Question II was: "How does it compare with your average percentage of bad debt losses to total net sales for the three-year period covering 1921, 1922 and 1923?" Under this head the highest percentage reported (average for the three-year period) was .0075; the lowest, .00015; average for the nineteen concerns contributing to the research, .003691. Losses for 1924 were less than those of the average for the three-year period by .000762.

Annual Turnover

The third question submitted was: "What annual turnover of stock do you consider essential to the securing of a satisfactory profit on operation in the wholesale grocery business?"

In reply to this question some of the concerns reported a definite rate of turnover, as "6" or "8", while others framed their answers in less definite form, as, for example, "6 to 9," or "8 to 9." In cases such as the latter, an average figure was used in the tabulation. That is to say, "6 to 9" was entered, for purposes of the general average, as "7.5," and "8 to 9" as "8.5."

The highest rate of turnover reported was "10 to 15," and the lowest was 4. The average for the entire list of reporting concerns was 7.46.

Special Problems

The fourth and final portion of the questionnaire was covered by the query: "What, briefly, are the peculiar problems in your line which might be clarified and partially or wholly solved by the aid of thorough and systematic research?"

In reply to this question one correspondent wrote frankly, "None," which seemed to indicate either an exceptional degree of efficiency in management or else (an alternative the Department would most unwillingly accept), a lack of faith in the efficiency of systematic research as applied to business problems.

More than half of the replies under this head bore directly or indirectly on the matter of competition. A Western wholesaler wrote feelingly: "Too many competitors selling merchandise without profit."

A Southern executive complains that "manufacturers are selling direct to chain store operators in competition with legitimate wholesalers." Another manager reports that his chief problem is "price cutting by chain stores."

Many of the replies evidence a very general desire for an increased amount of effort to be expended along educational lines. One correspondent expressed his conviction that the most important thing for the wholesalers to do just now is to "educate the small jobber in sound business fundamentals and good business ethics." Another suggests that wholesalers must "teach the jobber what it costs to do business."

Abuse of the cash discount privilege is another point concerning which the wholesale grocers of the country appear to be thinking with substantial unanimity. The same may be said, of course, of many other lines of wholesale trade. There is unquestionably a rising tide of resentment among wholesalers toward the widespread taking of undeserved discounts.

Small Sales—Larger Profits

Replies to the questionnaire were made in most cases by the credit executive or the general manager of the concern. Many of these replies were accompanied by letters, explaining or elaborating certain points brought out by the questions.

The manager of a wholesale concern in the Northwest wrote: "Our total net losses for 1924 were negligible, amounting to but \$76.80 on a volume of sales of about \$105,000. While we did probably close to 25 per cent more business in 1921, 1922 and 1923, our losses were so very much larger that we did not show any greater net profit. The small loss for 1924 can be attributed to the fact that we decided to do with a smaller volume of sales, but to place these sales in safer channels."

Abnormal Conditions

Another manager in the Northwest made this comment: "Our charge-off for bad accounts in 1921 was .37 of 1%; in 1922 it was .48 of 1%; in 1923 it was .83 of 1%. The average for the three-year period was .56 of 1%, and our loss for 1924 was 25% lower than the average for the three years. Our average for the past ten years is practically the same as that for 1924, and I might say that we consider about .35 of 1% to be a reasonable rate for estimating losses under normal conditions. We account for the excess over that figure during the last ten years as brought about by abnormal conditions which have been nation-wide, although in our line of business the losses were brought about particularly by crop failures throughout the agricultural Northwest rather than any other single agency that might be considered a factor in contributing to losses."

In regard to the education of the retailer referred to above, this particular manager wrote: "Some of the retailers are constantly failing, disappearing, and being replaced by individuals who, we are sorry to say, in many cases are not capable of operating a retail establishment. This is particularly true in the large cities where not only the ability to conduct a business is lacking but the moral fibre is often below par. Education of the retailer, insofar as it can be accomplished will be effort very well spent."

Copies of Report Available

Any readers of the Credit Monthly who care to know the names of the nineteen wholesale grocery concerns contributing to this research may receive a copy of the report, on application to the Director of Research, National Association of Credit Men, 41 Park Row, New York City.

Credit Departments Merge

Kardex and Rand Consolidating Their Credit Work

By William Gregg

TWO large credit departments have just been consolidated and harmonized through the recent merger of the Kardex Company and the Rand Company, bringing together the two largest concerns devoted to the production of visible record systems and forming a company with a combined capitalization of more than ten million dollars under the name of the Rand Kardex Company.

Whenever such a consolidation is effected, the credit department is one of the first phases of the business which calls for expert and expeditious re-arrangement. In the case of the new Rand Kardex Company this has meant the operation of three distinct credit records with perfect synchronization between them; and these two departments are swiftly being unified into a smoothly running machine with every unit in complete co-ordination with each other.

The credit system that has been in operation by the Kardex Company had to be continued without interruption. At the same time, the Rand credit system had to be similarly conducted, while an entirely new installation had to be set up for new customers which would be known as Rand Kardex accounts.

A Triple System

The credit department of the consolidated companies now handles thousands of open accounts and individual credit records, many of which are duplicates. It was impossible to effect an immediate combination of the credit records of both firms.

The establishment of a triple credit system was devised to prevent all possible confusion to the customers of either of the former concerns while rendering also proper service to new customers as they were brought in by the new company.

"In maintaining three credit systems at one time, we have been greatly helped by the fact that we were able to use our own product," declares John A. W. Simson, credit manager, formerly of the Kardex concern. "Of course, we will eventually be able to work over into a single record but we do not propose to reach that stage at the expense of any lost efficiency in handling our present accounts. We particularly do not want to cause any confusion or delay in the extension of proper credit to the present customers of both of the former companies.

Orders Approved in 15 Seconds

"With Kardex credit records it takes no more than 15 seconds to pass an order for credit approval. This includes the checking of the order for quantity and price, confirmation and classification, terms, credit authorization and proper customer's description.

"In collections where terms are net f. o. b. Tonawanda, N. Y., the account is followed within thirty days after date of invoice. If it has not been paid within that period, it is followed every

ten days thereafter until satisfied or placed in hands of the legal department for collection. Four clerks can properly handle 15,000 accounts monthly with the use of Kardex. This includes the



JOHN A. W. SIMSON

posting of the accounts and their proper checking as remittances are received.

"A separate and distinct collection record is kept apart from the records of accounts receivable. This eliminates the possibility of confusion, or loss of reports, and gives accurate, rapid follow up of all accounts. It also serves as an accurate cross reference on accounts payable.

"Visible signals are used to indicate follow-up dates, account classifications, adjustments, special accounts such as time payments, trial purchases and routine correspondence. The clerks who follow collections also list all checks received, in payment of accounts receivable and check collection records accordingly."

Father and Son Competed

The history of this consolidation is remarkable in that it terminates ten years of intense competition between one successful company, headed by James H. Rand, and another equally successful concern, directed by his son, James H. Rand, Jr. The elder Rand becomes the chairman of the board of the consolidated company while his son will have the active management of the business as president and general manager.

Visible record keeping systems have been a matter of comparatively recent development. James H. Rand, Sr., developed the first system to bear his name only 27 years ago. It was only natural that his son should come into the business and the younger Rand soon manifested as keen an interest in visible systems as had been developed by his father. In fact, the younger Rand, after he had risen to the rank of sales manager on the basis of a brilliant record of personal salesmanship, pressed forward with a plan of operation that seemed almost too ambitious to his father.

When this plan could not be put in operation by his father's company,

James H. Rand decided to start a company of his own to prove that his vision of the possible markets for visible records was within the realm of possibility. He did so at an amazing rate, starting with a capital of only \$10,000 and passing the million mark within five years.

The time came when both sides were willing to admit that there was no real reason for maintaining the two companies and a consolidation was effected on a fifty-fifty basis. The amalgamation creates a complete network of factory stores covering more than two hundred cities throughout the country. The combined sales force includes nearly one thousand representatives. The company is of world-wide as well as national importance, having established foreign connections in more than sixty countries.

There have been a number of consolidations during the past six months, and credit managers who are facing problems similar to those which had to be worked out by the Rand Kardex Company are invited to write to Mr. Simson for any suggestions or data that might be of assistance. It is not an easy matter to avoid confusion, error and lost time when passing through a period of consolidation, yet the Rand Kardex Company have been able to keep their credit department functioning smoothly throughout the entire merger operations.

Over 4,000,000 Reciprocals Furnished to Members of National Clearance System

By J. M. Paul

McDonald Brothers Co., Minneapolis

THE National Association of Credit Men's committee on Credit Interchange Bureaus, of which I have the honor to be Chairman, will submit a report to the June Convention of the Association which will show that since the Association became responsible for the Central Credit Interchange Bureau and the National Clearance System on March 1, 1920, the service has been materially increased.

New Bureaus have been established in: Baltimore, Md.; Great Falls, Mont.; Houston, Texas; and Wheeling, W. Va.

The Central Credit Interchange Bureau operated at St. Louis, Mo., is a department of the National Association.

The National Clearance System, an instrument owned, controlled and directed by the members of the National Association of Credit Men, their own instrument of service, has proved an adequate, efficient and economical medium for the uninterrupted exchange of ledger experiences between national markets.

At this date, there are 407 employees in the Credit Interchange Bureaus of the National Clearance System.

There were requested by and furnished to members of the National Clearance System 4,109,449 free reciprocal reports during the past year without cost and in reciprocal courtesy for their having furnished their experience promptly to inquiries pending.

Color in an Office

By Eleanor Boykin

MY subject, "Color in an Office," suggested by a chance remark by Mr. Deutsch to the editor of the *CREDIT MONTHLY*, does not refer, as might be supposed, to decorative schemes in workaday rooms—whether a blue or pink blotter should lie on an oak desk which has been in the business family for half a century, whether leather upholstery should be black or brown if the floors are a scarred yellow—nor yet does it refer to the amount of carmine which should be evident on female cheeks that beam above typewriters and book-keeping machines. Color has a place in the mechanics of office operation, and in this field there are possibilities not yet fully realized.

It is not divulging any cosmic secret to say that the trend of life to-day is toward the automatic, and the eye is rapidly becoming more important as the brain, it would seem, less so. Or, let us put it more nobly and say that instead of "working while you sleep," the eye works while you think, releasing the mind from worrying over picayune detail. One filing cabinet company has devised an index which they say is intended to do away with mental spelling, the eye being naturally led to the right name in filing without any other mental process being necessary. Something of this same advantage is derived from making color a factor in office forms and indexes.

The mind's reaction to color is very quick, to words much less so. Then why not let colors speak wherever speed is desirable? One of the most obvious failures to recognize this psychology was that of the U. S. Post Office Department in designing the 24-cent Air Mail stamps identical in color with the regular 2-cent stamp. The size was different and so was the design, but these distinctions were not sufficient to make the Air Mail letters observed by the postoffice clerks in the rush of classifying mail,—although these clerks had been cautioned to look out for the stamp with an airplane. Numberless letters were overlooked, and finally patrons had to be advised to write "Air Mail" boldly across the face of their letters. There must have been colors that have not been used by the Post Office, with all its varieties of stamps.

To some of us here in New York, it seems as if the New York Telephone Company might have shown a more acute appreciation of color values last fall when they split the Manhattan and Brooklyn directories into two volumes, both colors shading off the gray. How many times does one search painfully through the Brooklyn directory before discovering that the wrong book has been picked up?

Bindings in Color

Most directories are bound in red. Why? Because they are books of reference and should stand out easily from the usual desk assortment of catalogues, business books and magazines, without any squinting of the eyes or fumbling in the wrong pile of desk litter. The principle is applicable in business at almost every turn. Forms, as well as horses, may be of a different color.

Many a man with a busy desk covered with white papers will testify to the utility of a colored blotter instead of a white

one. A red cover on a desk dictionary adds to the book's convenience.

Probably the most familiar use of color in office routine is in the carbon copies of outgoing letters. In some offices, the credit correspondence files are kept separately from the general files. If blue paper instead of yellow manila is used for carbons in the credit department, there is hardly a chance that there will be any mix-up of letters as between departments. This is even simpler than using a rubber stamp, "Credit Files"—and surer also.

Executive who has little inclination to run his finger along some ledger page until he finds a hidden notation or item in plain black and white.

The Bank of the Manhattan Co. is an institution where the visible index with color references has been worked out to an extreme degree of usefulness. The credit files contain information on approximately 40,000 names scattered all over the globe, as explained by A. F. Hoehl in a description published a few months ago in this magazine. The filing



A COLORED BLOTTER SAVES TIME ON A BUSY DESK

In a recent number of *CREDIT MONTHLY*, Lloyd M. Trafford of the Charles T. Wilson Company, Inc., told of the use in the firm's filing system of different colors for the carbon copies of letters in the three departments of the business—Rubber, Produce and Tea—to help in the segregation of correspondence. If a letter were misfiled, it would soon be discovered because of the lack of uniformity of hue in the cabinet drawer.

Guides of All Colors

In the files of one very large company, filing is done first geographically, and after that by subject and name. The labels on the subject guides vary in color, making it easier to quickly find correspondence pertaining to special matters. Everything that is to be kept in the permanent files is put into a blue folder as a warning that at no time is it to be destroyed.

One of the forward steps in efficiency,—if we must use this sadly overworked word as it seems we must,—is the visible index. Here office color schemes are at their gayest; and the blue, red, yellow and green tabs are full of significance to credit and sales managers. A color may indicate the extent of a man's credit, or if he is delinquent in his account, while a transparent tab of another color over the name of the month shows when he last placed an order. Signal lights can flash indoors, as well as on traffic-ridden streets and down dark railroad tracks, bringing a welcome convenience to the ex-

is done in four divisions—customers, commercial paper, miscellaneous, and foreign. The revolving indices which stand on top of the filing cabinets include every name on which there is any record in the files, and a colored slip indicates in which division the folder is to be found. At a glance, it is possible then to tell whether or not there is on file any information on a given name and, if so, in what division.

Color is again resorted to in the folders themselves. The sheets which contain summaries of interviews and investigations are peach color while those recording inquiries and answers thereto are gray. When a certain type of information is wanted, the eye picks the right color before the page itself is visible.

Color in Credit Files

Many credit managers have a card file of customers on their desks, all that is necessary for ordinary reference. Sometimes, the cards are buff, blue and gray as well as white, not merely to relieve the monotony on the eyes, but to make the classification of an account more outstanding. The color may refer to the extent of credit allowed, the terms agreed upon, or perhaps the kinds of goods bought.

The color of cards and paper used for forms and correspondence should be such as will be least conducive to eye strain and fatigue. As far as can be determined from investigations of the color

(Continued on page 44)

Checks as a National Currency

Must be Protected against Manipulation

By H. P. Preston

IT would appear that crime is on the increase, rather than the reverse, when one stops to consider that, according to the American Bankers' Association, three billion, five hundred million dollars (\$3,500,000,000) were obtained dishonestly during 1924. The methods used include commercial fraud, theft from railroads, stock frauds, insurance frauds, arson, etc., but embezzlement, forgery and the alteration of checks in general, played a very prominent part.

In fact, check manipulation, insurance losses and the always present stock swindles, lead the list of 1924 losses. It is well to bear in mind that the known amount lost through check manipulation must be a conservative figure, since it is quite usual to keep such losses as secret as possible. These facts seem to point out that protection, in general, is an absolute necessity and check protection, in particular, should be universally adopted. Commercial paper is today practically as negotiable as currency, owing to the credit foundation of all modern business. A little common sense, the use of a standard device and the application of some simple and effective remedies will do much to safeguard one's checks.

Those who practice forgery and check alteration are like most of us in wishing to travel along the lines of least resistance. They wish their work made as easy for them as possible. Unfortunately, many business houses unintentionally aid them in their work.

For instance, there is the all too general practice of saving cancelled checks and vouchers for a certain number of years and then deliberately throwing them in the junk pile. Dishonest persons get hold of these cancelled checks and find them a golden opportunity. For they are then acquainted with the signature of the person who signs the checks, the manner in which they are signed, the banks drawn and the payee's name. With the assistance of this information it is a very easy matter to embezzle large sums of money. There is but one thing to do with old cancelled checks: destroy them completely.

Unprotected checks are "easy game" for the professional. Anyone wishing to make the experiment will be surprised to find how easily and quickly an ordinary check can be raised, even by one who is unpractised. To the forger they present no difficulties whatever. Check protection is a form of insurance which is as necessary as any other and should be adopted by every business house, no matter how small. Check protecting devices reduce the chance of loss in this field to a minimum.

Protect Payee's Name

Present day models of check protecting machines represent the last word in efficiency. The result of many years' experimentation, they are practically proof against tampering of any kind, no matter how cleverly done. Various sizes and models to meet individual needs are offered. Check protectors are, in themselves, standard. But each appliance has



This is the sixth of a series of twelve articles on the mechanism of modern business offices, under the general editorship of Isaac A. C. Deutsch, of Steinfeld, Inc., N. Y., a Vice-President of the New York Credit Men's Association. Mr. Deutsch has for many years interested himself in the facilities which American manufacturers have developed for the efficient mechanical operation of business. Although responsible for other important phases of the enterprise with which he is connected, Mr. Deutsch makes it a rule in his own office that new mechanical devices have a hearing, in order that there may be no neglect of any mechanical novelty which will promote efficiency.

individual features which, in the opinion of the manufacturer, give it added protective value. Some manufacturers protect the payee's name as well as the amount.

Since much check alteration is done through changing the payee's name, rather than the amount, this is held important. Checks payable to nationally known firms are a case in point, since it is only by changing the payee's name that such checks can be cashed across the counter.

Apart from protective value, two things that should be borne in mind are the simplicity and speed of an appliance. It would seem well to choose a device—other things being equal—which one can operate easily and quickly.

Ten Rules To Foil The Check Crook

It should also never be forgotten that the crooks who play for big stakes work to overcome protective measures, while the manufacturers strive to make their devices impregnable. Therefore, it is well for every man to use, in addition to a check protecting machine, what Sir Joshua Reynolds told a young artist he mixed with his paint to make great portraits—namely braints. Some simple rules always to be observed are:

1. Never correct a check. If an error is made destroy the check and make out a new one.
2. Never give a stranger a blank check. Never cash strangers' checks.
3. Never make checks payable to cash or bearer unless you are going to cash them personally at the bank.
4. When checks are for deposit write "for deposit only" under your signature of endorsement.
5. Never leave blank signed checks in your office while on a trip.
6. Always burn cancelled checks and vouchers when finished with them.

7. Keep your checks and check books locked up.
8. Do not take for granted that a certified check is good. False certification stamps can be made or bought for a few cents.
9. Never sign receipts, letters or anything in the same manner that you sign your checks.
10. Always compare the payee name on the cancelled check with the stub in your book.

These things may seem elementary, but it is just such simple slips on which crooks thrive. Briefly put, the best thing to do is to treat your checks just as if they were money—which they are. Protect them with the most modern mechanical devices and use your head. Some users of check protecting machines have given their opinion on the subject for the benefit of CREDIT MONTHLY readers.

Choosing a Mechanical Device to Protect Checks

By John Barnett

IT seems to me that the protection of checks, the nation's great auxiliary currency, is one of the most important features of modern business. The number of checks used now is so large and the amount they represent so great that carelessness should be as intolerable to every business man as carelessness would be in the government's protection of paper and metallic currency.

Check protecting machines, in general, seem to have been brought to a high stage of mechanical perfection. The choice of an individual machine often depends upon fine points. Personally I think that—aside from purely protective features—simplicity of operation, speed and mechanical ruggedness are worth having in one's check protector.

Evenness in inking is another point worth remembering. These things seem trifling, but they are important. Like any other piece of office equipment, it should function in the most efficient manner with the least attention.

Although I have every confidence in the machine which is used in my office, I do not believe that any check protecting device, no matter how good, relieves one from all responsibility in the matter of checks. Care should be used in writing the payee's name, filling in the amount in figures and in signing and endorsements.

Crooks make it their business to see loopholes and chances for alteration where an honest man wouldn't even think of their possibility. I have no idea, in advance, as to just what they will do, yet I try to use every precaution possible and make it as hard for them as I can.

I feel sure that there will come a time when, because of the universal use of check protectors of high efficiency, check alterations will be almost unknown. As it is, it seems to me that every organization and individual interest in discouraging the check criminal, both for their

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own protection and for the stability of business in general, owe it to themselves to use some sort of check protection. As is well known the crooks progress in skill as constantly as those who provide protection against them. The latter's best hope is therefore to be a little more ingenious and more progressive than the crooks.

Check Protector Does Protect Conclusion After Years of Use

By Robert J. Wall

Credit Manager, National Lead Company, N. Y.
THE protection of checks is just as important as the safeguarding of cur-

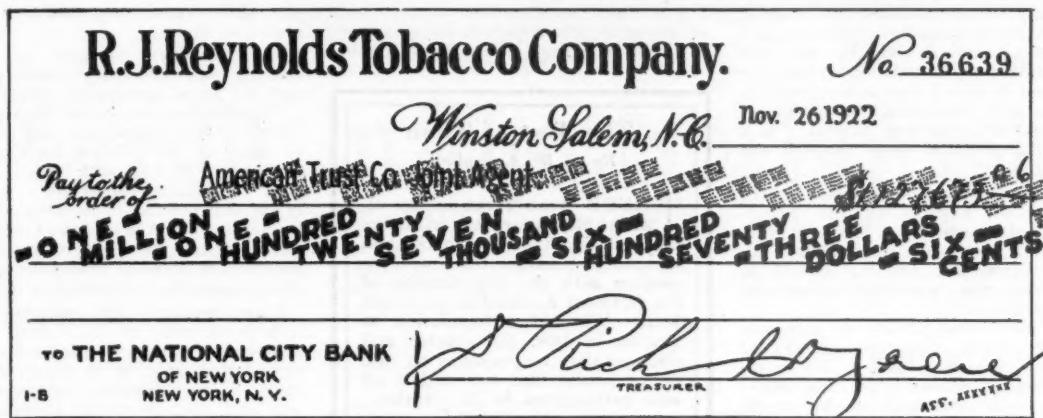
considered it the best for our needs. We have never been under the impression that it was infallible. But we do believe that it affords an excellent degree of protection to our checks. In fact this would seem to be proved by our many years of successful use of the same device.

It stands to reason that an amount shredded into the very fibre of a paper with two colors of indelible ink is, to say the least, harder to raise than one written with pen. I have said that I do not believe our machine infallible. This is not due to the fact that any of our checks have been altered but is based on the law of probabilities. I have no doubt but that a professional forger could, in time, circumvent almost any protective

Caution Plus Check Protector Should Insure Protection

By A. F. Frese

THE unfortunate part about check protection is that it is something to which many give no thought until they experience some degradation or other. It is the old example of the horse and the barn door. Of recent years we have been hearing a great deal about foresight, especially in relation to forecasting the so-called business cycles. It seems to me that foresight is just as necessary in the apparently small details of business operation, for it is the accumulation of little things accurately done which results in big gains.



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rency. Business men, however, seem to be sharply divided into two classes on the subject—those who don't think of it at all and those who think that because they are using some system or appliance care is unnecessary.

It needs but little thought to see the error of both points of view. Personally, and I think I may say that this is also my company's attitude, I believe that protective measures should be adopted and that ordinary care and common sense should be used in conjunction therewith.

When the CREDIT MONTHLY reporter first asked for my opinion of the system of check protection which we use, I was obliged to think a moment before replying. We have used this system so long that it has become habitual—the sort of thing one doesn't give a great deal of conscious thought to.

The system was adopted because we

device. This does not lessen the value of the machine in any way. It offers practical protection, which is all any device, or other agency, can offer.

It would seem to me that credit men should be in favor of check protection. Check alterations unquestionably form a sizeable item of yearly losses. While such embezzlements may be absorbed by large and solid concerns without great difficulty it needs no imagination to visualize the seriousness of such losses to smaller companies.

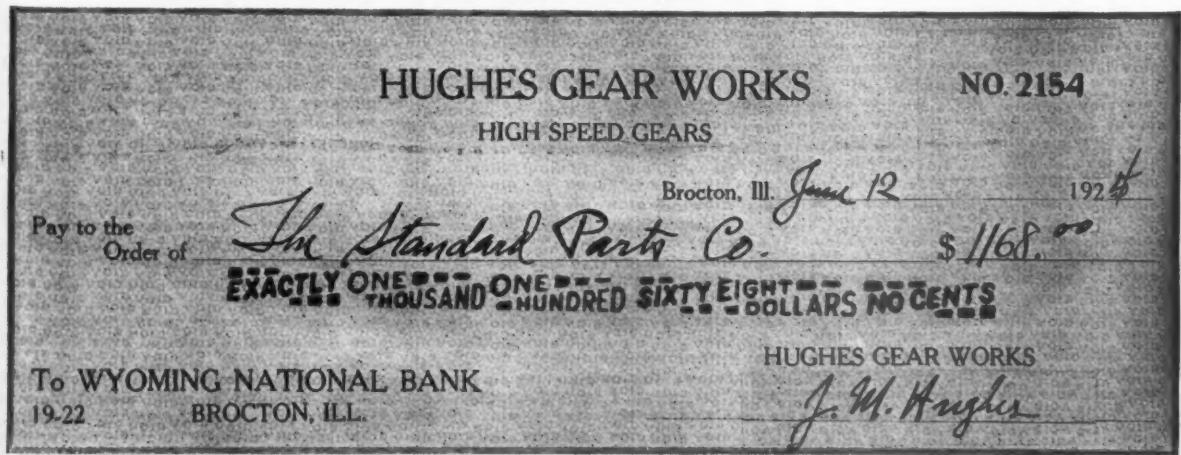
These thoughts are offered without any pretensions to expert knowledge on the subject of check protection. Perhaps my most cogent endorsement of the matter might be summed up by saying that we have used a mechanical check protector for many years—and found that it does protect. This, after all, is the whole thing in a nutshell.

The protection of checks is, physically, a small thing. It does not involve great expenditures of either money or time. But it may—and I am quite sure it does—insure one against very serious losses. We adopted a system of check protection not because we had had any altered checks or embezzlements but simply because we thought it good business policy to protect our money to the best of our ability.

Let me say here that I do not consider any device for the protection of checks absolutely infallible. I do not think anyone who gives the matter thought does. But such appliances offer a measure of practical protection and, as such, are decidedly worth while.

The subject is one which, to-day, has

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A SPECIAL PAPER PROTECTS THIS CHECK FROM ANY ALTERATION

The First Credit Convention

By Harry B. Gillespie

THE Thirtieth Annual Convention of the National Association of Credit Men is scheduled for June, 1925. In looking back to that memorable day in June, 1896, when the first Convention of the Association was held, and in trying to remember, as the CREDIT MONTHLY has suggested, the outstanding events of that occasion, I am deeply impressed by the facts, *first*, that few, if any, serious mistakes were made in the methods of procedure followed upon that occasion, and *second*, that we were enabled to lay the foundation of the new association in such a way as to command, from the very beginning, the confidence and respect of credit men nationally in a degree that induced their interest and co-operation.

The call for the Convention was sent out under the auspices of the Toledo Chamber of Commerce. This was fortunate, as it lent to the Convention a degree of dignity and authority as well as respectability that was both stimulating and unquestioned.

There were some seventy-five delegates from the leading commercial centers of the country who responded to the invitations and were in attendance. Fortunately, these were thoroughly representative men connected with some of the largest concerns in their respective lines in the entire country. Many of the delegates arrived during the afternoon and evening preceding the meeting, and thus had an opportunity of becoming personally acquainted with each other, and of discussing the Convention and its issues; so that when assembling at the theatre where the Convention meetings were held, the following morning, there was already established a feeling of good fellowship and mutual understanding that greatly assisted in setting in motion the wheels of action of the Convention.

Andrew Carnegie Interested

As an example of the foregoing, I might state that I had the opportunity of making an acquaintance at the hotel on the evening preceding the meeting, where I noticed a quiet and reserved young man in the lobby who seemed to have a more or less detached interest in observing those around him but did not seem inclined to make any overtures in the direction of getting acquainted; eventually, he was asked whether he was interested in the Convention. He replied affirmatively, and said that his name was Case and that he was representing the Carnegie Steel Company of Pittsburgh; he also stated that Mr. Carnegie himself had sent him to Toledo with instructions to carefully investigate the purposes of the proposed Association, and that if he found them to be worthy, and the personnel of the delegates sufficiently representative, to take out a membership for his company. Up to that time, Mr. Case had not been convinced upon either score; but in view of his election three days later to the first Board of Directors of the Association, he evidently in the meantime was sufficiently convinced as to the character of the Association to identify himself with it. There were many other similar cases at Toledo in June, 1896.

The first meeting of the Convention was

called to order at ten A. M. and after the usual preliminaries, the invocation, addresses of welcome, responses, et cetera, were over, the business of carrying out a definitely and previously arranged program was in order. There was in evidence a vague feeling of hesitation and uncertainty upon the part of the delegates present, for up to that time it had not been made perfectly clear that there was not involved some selfish interest back of the whole affair that would be subject to suspicion. That feeling, however, be-

than anything else—yes, more than all other things—“sold” to the delegates present the idea that such an association as we were trying to organize could be made to function in an extremely valuable way, and that it would under certain conditions become a great force and benefit to its members. I now think, however, that no one present had the vision at the time, of its ever becoming the great and marvelous organization that it has since grown to be.

In those days, we were merely considering our every-day credit problems and we were fortunately clever enough to visualize the Association as a powerful factor in the neutralizing and remedying of many of the evils of the time which confronted us, and with which we were most immediately concerned. I can safely say that not one of us foresaw a membership for our Association of over thirty-one thousand, nor the development of an influence in national affairs second to no other commercial organization in America.

Many pleasant and enduring friendships were made at the Toledo Convention, and in some cases these friendships have lasted right up to the present moment. Many delegates to that convention who did their work in organizing and supporting the Association most admirably have since crossed the Great Divide; but their memories are being cherished most affectionately by those who knew them personally—and should also be cherished by the credit men of the present and future generations as well,—for to the vision and foresight of these men, and to the earnestness of their purpose was due the successful founding of the Association at a time when conditions were none too encouraging or optimistic.

Started Right

The purposes and scope of the Association were most clearly defined at the outset, as the original Constitution testifies. Aside from a few necessary minor amendments that have since been made from time to time to meet new and changing conditions, this constitution remains in substance and text substantially as originally written by the Constitution and By-laws Committee, of which I had the honor of being a member.

Upon assembling at two o'clock, the first order of business, as I recall it, was an address by Hon. J. G. Cannon, President of the (then) Fourth National Bank of New York City, upon a subject relating to credits, the exact title of which I cannot now remember.

The Key-Note Address

Mr. Cannon was a man of commanding presence and personality; an orator of national reputation, possessed of a powerful and convincing speaking voice. He had the ability to phrase his utterances in such cadences as to attract and hold the closest attention of his audiences to the very end of his addresses. Whatever the subject of that address may have been, it was unquestionably the finest and most convincing exposition of the importance and value of credit rating that I have ever heard. As I look back now upon that historic occasion and try to segregate and analyze the outstanding features of the Convention, I am thoroughly convinced that it was that speech of Mr. Cannon's, with the authority and reputation of the speaker back of it that, more

than anything else—yes, more than all other things—“sold” to the delegates present the idea that such an association as we were trying to organize could be made to function in an extremely valuable way, and that it would under certain conditions become a great force and benefit to its members. I now think, however, that no one present had the vision at the time, of its ever becoming the great and marvelous organization that it has since grown to be.

Our Association was conceived and born under honorable and purposeful conditions; its affairs have up to the present time been in the charge and under the guidance of men of exceptional earnestness of purpose, honor, ability, and integrity, to which fact in no small degree it undoubtedly owes its past and present pre-eminent position.

Permit me to close with just a word of warning to the younger generation of credit men in control of the Association's affairs to-day, as well as to those who will be in charge in the future: The purposes and integrity of this great organization are now placed in their keeping; let me urge them to guard, as they would their own honor, against any selfish or destructive influence or attacks of any nature that may be made against the Association now, or at any time in the future, that might minimize its influence or destroy its authority and power.



Credit In the Northwest

By Alfred B. C. Batson

I HAVE accepted credit opportunities under many odd circumstances and under four flags, and I would unhesitatingly say that the credit violator finds it harder, after he has once proven false to his trust, to get accommodations in Alaska and British Columbia among the half savage Siwashers and Eskimos, than anywhere I know of.

In 1914 I was one of a party that went from Fort Wrangle, Alaska, up the Stikine River to Glenora, British Columbia, a distance of some 250 miles, on a fur buying expedition.

We were not under the auspices of the Hudson Bay Company, or any sister organization, but with an independent buyer who had gone up there five years before and built up a business or rather a friendship, with the Indians, under severe opposition.

I had many opportunities to learn the inflexible code of the Northwest as regards honesty, and many interlopers from the outside who were bent on "cleaning up" dishonestly found themselves in such disrepute that they had to leave the country.

On the way we passed through Old Glenore, which in "the rush" had a population hovering around 15,000, and at the time we were there two half breeds and a patrol of the Mounted Police. The main

street still contained the empty "Northern Lights Saloon," numerous dance halls and gambling houses, standing just as they had when the horde moved North.

The mail dogs can make the trip in a little over four days. We were not attempting to establish a speed record; and in every settlement, however small, it was necessary to stop at the Indian head man's house and eat, before talking business.

The head man would meet us at the door with much rolling of the eyes and patting of the stomach, and "Oh—Oh—white man! Wife sick-a-tum-tum."

There was but one way to answer this, and when we failed to produce the whiskey thus delicately hinted at, the wife miraculously got well and prepared food for us. The barking of the dogs had heralded our coming. The other inhabitants would bring their furs and the buying would begin.

It was a common thing to trade a plug of McDonald tobacco, costing about eight cents, for a weasel skin that could later be sold at Fort Wrangle for three or four dollars. That was in 1914. The skins now bring eight dollars at the Fort.

Hudson Bay sables then could be bought from the Indians for \$20 a skin and later sold at wholesale for \$35. Today they are worth \$70 up there and in New York bring \$100 to \$125.

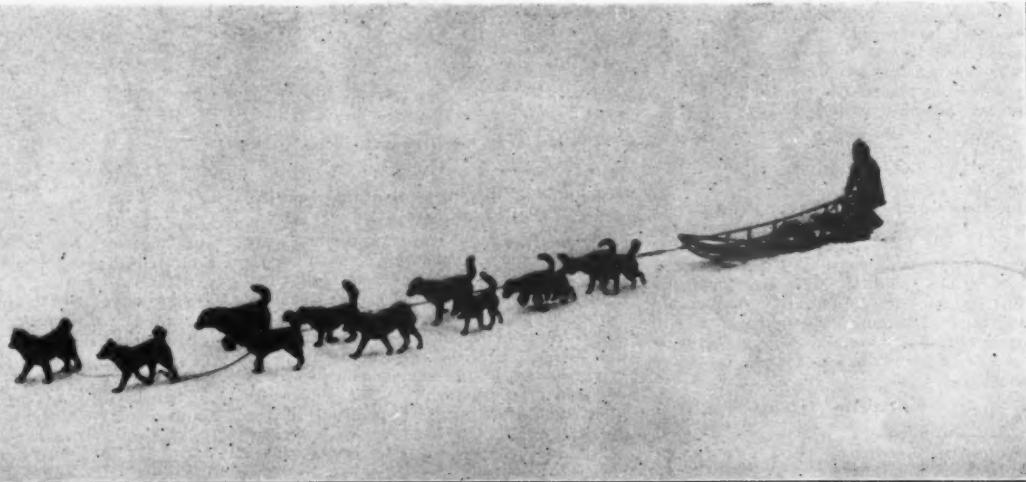
The same with black fox. The Indians would sell them then for \$20. Today these skins are worth \$250 up there and in New York bring \$375 to \$500 for first class skins.

Little Cash—Long Credits

The head of our outfit was not always able to pay cash, or, what was more important, trade foodstuffs, and very often the Indians would give him half a season's catch on his promise to send them back food of equal value. His word was all that was required. The Indians trusted him as they trusted all the fur dealers. It went hard with the buyer who violated that trust.

There are only three weeks in the year when Silver Foxes are at their prime and can be killed to bring the highest prices. A "prime" skin is often worth \$1000 up there and it is no uncommon sight to see a skin stretched on a board, drying outside a cabin and left over night. The Indians have a high sense of honor and when a Silver Fox is killed and brought in, the news quickly spreads around the settlement. Should that skin disappear the buyers are told its exact grade, size, and any other distinguishing marks and it is to the buyer's advantage to see that he does not purchase it. If he did it would

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Eta Didn't Understand Credit

And Paid \$4000.00 for a Business Lesson

By S. K. Ats

HEARKEN to the story of a real nice, successful and well-liked woman, who was the buyer for the Women's Ready-to-Wear Department of the Globe Department Store.

At the age of sixteen, shortly after leaving school, Eta found that the circumstances of her family were such that it behooved her to get a position and increase the family income with her earnings. She secured a minor position in the Globe Store and was placed in the Ready-to-Wear Dept. Developing great proficiency, she advanced through successive steps until at the age of 27 she was made the full-fledged buyer for her department. During the following years the department made wonderful strides under Eta's guidance, showing big gross sales and very satisfactory net profits. Eta was happy and contented; each year when the President of the Globe Store gave Eta her bonus check, he made a nice little speech and complimented her upon her success. It became known through the trade that Eta was the genius who had made this department what it was.

Certain factors in Eta's personal success were apparently not taken into consideration by those who were wont to speak in glowing terms of her business career! That the Globe Store, itself, during this period had increased its annual business from a half million to over three millions; that every bill was paid on the tenth of the month and on that account its buyers were offered the choice pickings of the market and had almost unlimited credit; that it employed high-class executives in its various publicity and merchandising offices; that the co-operative momentum and impetus acquired by the force was in itself sufficient to make even a comparatively mediocre buyer appear to be a success.

Knew the Goods

Eta had acquired a fair degree of merchandising knowledge pertaining to the

goods she bought for her department. Beyond that it had never been necessary for her to think. Some little fairy somewhere paid all the bills; another one wrote clever advertisements which sold her purchases; and still others told her when to make special buys for big sales. At the semi-annual clearance sales liberal markdowns were taken on unsalable stock,

When she is advised to strike out for herself and, in a business of her very own, get the big profits she is making for her store, then this praise becomes a disservice unless it is based on carefully investigated premises.

Every once in a while a salesman would say something like this to Eta, "Why don't you go into business for yourself? You are well known in this town and you could clean up in your own shop."

One day in a showroom in New York, after Eta had placed a big order, Mr. Dumbel Manufacturer decided that here was a good chance to make himself real solid with Eta. He detained her for a few minutes, took her into his private office, and said,

"You know, Miss Denel, we feel mighty friendly to you around here, and we know you are a very smart business woman. If you ever consider opening your own store in Cookton you can figure on us for unlimited credit and goods."

While Mr. Dumbel was telling her this he had his fingers crossed and hoped she would never leave the Globe Store to go into a venture of her own.

These constant proddings and promises of unlimited credit finally caused what psychologists call a fixation in her mind. She became obsessed with the idea of a business of her own and of the enormous profits which it seemed to promise. Why should she work her life out for the Globe Store any longer? She was get-

ting only \$6000 a year and her bonus? Certainly Mr. Dumbel Manufacturer was right and so were her salesmen friends who promised all the goods she needed to start with and no trouble about the payments. Eta has saved \$4000, and with that and the unlimited credit which had been promised, —why, there was nothing to it!

Choosing a Location

Then began conversations with realtors about available stores. One especially attractive one was selected; and though the

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"WHY DON'T YOU GO INTO BUSINESS FOR YOURSELF?"

which were figured in with the general scheme of the business.

Among salesmen and manufacturers are those who for the purpose of seeking favor with buyers will praise them, tell them how clever they are and flatter them in other ways. Thus making themselves solid, they often increase their sales to the buyer. If these encomiums are of a harmless nature it may be considered as legitimate salesmanship. But sometimes they take the form of planting in the buyer's mind dissatisfaction with the reward she is receiving for her services.

Twenty-Nine Years Ago

A Founder of the N. A. C. M. Tells of 1896 and Before

By *T. Homer Green*

Minneapolis

A"CONGRESS on Credits, Collection and Failures" was called by Mr. Bonney, President of The World's Fair Congress Auxiliary, and P. A. Earling, whose book "Whom to Trust" is no doubt in the library of most Credit Men, and was held in Chicago on June 22, 1893, the "World's Fair" being then in progress. This was the first meeting of "Credit Men" as such, that was ever held.

In their address calling this convention they said, "It is hoped that this Congress may be the means of laying the foundation for permanently organized effort for better regulation of mercantile credits in the future." The Convention was not well attended as there were but few actual Credit Men in the country and the panic of that year had just started, requiring their presence at home.

In June, 1894, by request of a few Credit Men, the Commercial Club of Sioux City, Iowa, called a meeting, at which the "Sioux City Bureau of Credits" was organized. This was the first "Credit Mens Association" ever formed. It did not function as intended until 1896. On Sept. 22, 1894, the Chicago Credit Men's Association was formed which was followed by New York, New Orleans, Kansas City, Minneapolis and others.

Through the columns of the "Lawyer and Credit Man" of Kansas City, an agitation for the formation of a National Association was begun which culminated in a convention held in Toledo, Ohio, on June 23, 24 and 25, 1896. At that convention our present "National Association of Credit Men" was launched and has become a power in the regulation of credit. That convention elected as its first officers: W. H. Preston, Sioux City, Ia., President; M. E. Bannon, New York, Vice President; T. H. Green, Sioux City, Ia., Secretary of the Board; T. H. Green, Sioux City, Ia., Treasurer.

I remained Secretary only until the Board of Directors met in Chicago in October, when F. A. Babcock was employed as permanent Secretary. I continued as Treasurer until March 1901.

At that convention, I recall B. G. Mecham, who was temporary chairman, the address of welcome by the Mayor of Toledo, Guy C. Major, and the responses by M. O. Banton, New York; T. J. Ferguson, New Orleans and W. H. Taylor, Kansas City.

Hands' Across the Lakes

The speech that particularly impressed itself upon my mind was that of J. A. Vibert of Montreal, Canada. In the course of his remarks he said, "It seems to me, sir, that our Creator has placed us side by side to grow together as brothers, and to demonstrate to all the world that it is possible for two Nations, governed by different rulers and flying different flags, to live in harmony, without standing armies ready to fly at each other's throats. I venture to predict that the time will never come when the two great English-

Every business man who appreciates what the commerce of the Nation owes to the National Association of Credit Men is grateful to these far-sighted men who met in Toledo in June, 1896, and founded the first Nationwide organization of commercial credit men.

speaking nations shall war with each other; but if ever found necessary to call their armies together it will be to fight side by side and shoulder to shoulder against some common enemy of freedom and humanity."

This was so impressive and so heartily appreciated that at the next convention, leaflets were distributed headed by the American flag, and the words, "A prophecy that promises to be fulfilled," followed by the words of the prediction and "America" which was sung at the close of the convention.

Mr. Vibert's prediction came true in the late World War and his speech has its counterpart in that portion of Sir William Veno's remarks a few days ago, before the Convention of the Associated Advertising Clubs at Houston, Texas, in presenting a silken British Flag, as a "token of respect and in recognition of a warm welcome as well as a recognition of British advertisers of the part America played in the World War. "You came at the right moment and put an end to that hell upon earth. Your performance on the western front thrilled every man and woman in the British Empire and it will never be forgotten. The blood of yours and the blood of ours are mingled in the battlefield and may that blood cement the two countries forever. May the day never come when our two countries may have a difference that cannot be peaceably composed."

I remember little of my own speech at the banquet. But one paragraph is as applicable now as then. "The virtues, accomplishments and success of the Credit Man is never heralded from the housetop, but his mistakes and failures are known and commented upon by all from the irrespressible offic boy to the head of the house and the entire list of its competitors. He gets credit for none of his fine plays, his foresight and judicious discrimination pass unheeded and unnoticed, but his slightest mistake stands out in bold relief, apparent to the most unobserving. His days are days of tribulation and trouble and his nights are nights of unrest."

Then there was the speech of W. C. Sprague of Detroit. It struck my "funny bone." It was humorous all the way through. Part of it was to this effect:

"At the age of 16 I was a lawyer's clerk and my business was to make up lawyers' reports on the merchants of my town for Dun and Bradstreet. That I did it well is evidenced by the fact that no merchant in my town ever failed—to

get all the goods he wanted while I was doing the guessing.

"Then for four years I studied Greek and trigonometry to prepare myself as a lawyer the better to tell credit men whom to trust. Then as a lawyer for eight years I did free reporting in return for worthless collections, and I was satisfied in the knowledge that the reports I gave were as good as the collections I received. In the eight years I made over two thousand mercantile reports and received therefor \$2.44 in money, 223 two-cent postage stamps, twenty-three of which stuck so close to the paper that I could not use them, three votes of thanks from inexperienced credit men who had not learned their business, and so many kicks that I early lost the count. After all my education in Greek, not a single request was made for a report in that language. My reports were always scholarly, but no good."

Altogether that was a wonderful convention of earnest men who knew what they wanted to accomplish but with no precedent to guide them. They had no conception of the magnitude the venture was destined to assume.

When I arrived home I prepared an application blank and a letter and prospectus, which I mailed to a list of manufacturers and wholesalers in the principal cities of the country. The letters brought many inquiries as to what we expected to accomplish, and some applications with ten-dollar checks for individual dues. The first year brought 600 members, including local association members.

I can bring to mind specifically but two applications. One from Eberhard Faber, pencil manufacturer, who no doubt is still a member as he is still in business and the other from one in Philadelphia, filled out in ridicule and signed "Uriah Heep." I am glad to say that this was the most unpleasant thing connected with my long years of experience with Association work. I have often wondered if that fellow joined the movement. I hope he did.

In January 1896, I prepared an article which was published in the "Lawyer & Credit Man," outlining a plan for local associations. This was five months before the National Association was organized. Eleven years later the "Northwestern Jobbers' Credit Bureau" of Minneapolis and St. Paul, of which I was the first president, was organized through my efforts and has operated under that plan for the past eighteen years most successfully.

Of subsequent conventions I remember but little. At the Buffalo Convention, I think, a session was held, as I remember it, aboard boat. Our present Executive Manager, J. H. Tregoe, presided and the meeting was opened with prayer. This was so unusual that the press of the country commented on it and the Governor of Missouri, who was the principal speaker of the convention, took occasion to refer to it in the most complimentary terms.

At the Detroit Convention the delegates
(Continued on page 28)

Increasing Foreign Trade Calls for Sound Credit Principles

By W. S. Swingle

Manager Foreign Dept., N. A. C. M.

The new manager of the Foreign Interchange Credit Bureau, William S. Swingle, is a native of Pennsylvania and a graduate of the University of Pennsylvania. He is a member of the Phi Delta Theta Fraternity, Sons of the Revolution, and the Colonial Country Club.

Mr. Swingle's first business connection was with the U. S. Cast Iron Pipe and Foundry Co. From there he went successively to the Consolidated Steel Corporation, Asia Banking Corporation and the J. Henry Schroder Banking Corporation. He is also connected with the Faculty of New York University as a Lecturer on Banking in the School of Finance.

THE importance of foreign trade in our national business life is being increasingly realized not only by those actively engaged in overseas commerce, but also in all branches of industrial and commercial business.

Although on the surface, business, which appears strictly domestic in character, does not seem affected by our International relations, nevertheless, in the final analysis, our National prosperity is directly coupled with the measure of our success in fully utilizing our National advantages in foreign commerce. This applies particularly to the volume of our exports which reflects directly in many of our leading industries and indirectly throughout our business life and margin between reasonable and excessive overhead, as well as profitable and unprofitable production volume.

The important relation of credits to our Domestic business has been amply proven, and the value of co-operation and accurate working knowledge of the credit phase of our foreign trade activities is continually being brought forward.

The Foreign Credit Department of the National Association of Credit Men has been a leader in the advancement of sound principles in foreign credit granting. Its field has rapidly broadened until the importance of this work has justified definite representation in three of the most important Conventions this month.

At the Thirtieth Annual Convention of the National Association of Credit Men in Washington, June 11th will be largely given over to the furtherance of the foreign side of the credit profession. In connection with an interesting and instructive program devoted to World Trade affairs, the Foreign Department will institute for the first time the maintenance of a foreign trade desk during the entire Convention for the particular advantage of delegates who may wish to discuss World Trade Problems.

A special group session in credits has been arranged during the Convention of the National Foreign Trade Council in Seattle on June 24th under the auspices of B. B. Tregoe. Particular emphasis will be given to the necessity for the extension of credit in connection with the building up of our foreign trade. The work of the Pacific Coast branch of the Foreign Interchange Credit Bureau to be opened July 1, will also be outlined at this



W. S. SWINGLE

meeting. In the building up of international co-operation in credit work the National Association of Credit Men will be represented at the meeting of the International Chamber of Commerce at Brussels during the latter part of June, at which time the question of the formation of Credit Men's Associations of international character will be brought forward with the purpose of widening the field of interchange of credit experience to an international scope.

The development of the activity of the Foreign Credit Department of the National Association of Credit Men has been under the direction of B. B. Tregoe, who has been its manager since its inception nine years ago. On assuming next month in San Francisco his new duties as manager of the Western Division of the National Association of Credit Men, Mr. Tregoe will not relinquish his interest in foreign credit work, for he will be actively engaged in the establishment of a Pacific Coast Division of the F. C. I. B. with headquarters at San Francisco. This branch of the F. C. I. B. will provide for prompt service to members on the Pacific Coast and greatly enhance the importance of this branch of the activities of the Foreign Credit Department, which has already provided such valuable and unique service to its members.

Convention Registration

IN order that a numerically small local credit men's association might not be discriminated against in the choice of a convention city for the annual convention of the National Association of Credit Men, the Board of Directors in September, 1924, passed a resolution setting the registration fee for each delegate to the National Convention at ten dollars and the fee for each guest at five dollars.

The registration for the Convention this year is expected to be far in excess of any former registration. The Committee in charge of the Convention believes that while the choice of Washington as the Convention City is probably responsible for some of this increase, the attractive and excellent program of speakers and events scheduled is making a very strong appeal to all who can possibly arrange to do so.

San Francisco Disaster Report No Guide to Insurance Quality Today

By William Walker Orr
Manager, Eastern Division, N. A. C. M.

IMEDIATELY following the San Francisco disaster of 1906, the National Association of Credit Men entered the stricken zone to lend such assistance as it could in supporting credits. It essayed to investigate for eastern members the circumstances in which their customers had been left by the conflagration and to help business men of San Francisco in their insurance adjustments.

The task was of Herculean proportions. The combination of circumstances attending the conflagration made the settlement of losses by the fire insurance companies most difficult; but it is to be said that the companies for the most part rose to the call in a most commendable spirit. The capital of some of them had been wiped out and in order to save their companies, it was necessary for the stockholders to come forward and from their private resources restore capital assets.

The Association appointed a committee which undertook to classify companies according to the manner in which they seemed to meet their loss payments. In undertaking this work, the committee did not expect their work to be made the basis of measuring companies at any time and certainly could not expect that their classifications made under the confusing and exciting conditions of those days would be used as a guide ten or twenty years after. It is obviously unfair to use their conclusions as a guide in placing insurance today.

The National Association of Credit Men has often pointed out that there is quality in insurance. But we must be fair in determining what is the proper guide to quality, and it is clear to any thoughtful man that the classification of companies as to their paying method at the time of the San Francisco disaster has no certainty as a guide to the quality at this time when a new generation of insurance leaders are guiding the underwriting companies.

Furthermore, it cannot be overemphasized that in the hurry and confusion of the time the committee, in making its report, had to depend upon what this and that insurant said regarding the attitude of a company which had written his policy. Furthermore, because of the impossibility of getting in touch with all insurants, the committee had to depend upon what the comparatively few said regarding each company. The committee's conclusions were therefore based necessarily oftentimes upon impressions rather than upon facts and upon testimony far from complete.

These paragraphs are written because the Association every now and then gets evidence that the classification made by the Association's committee twenty years ago is still being used as a guide in placing insurance. Clearly, such use of the report of the committee will work an injustice today.

Rest 3 Weeks Instead of 2

First of a Business Philosopher's Ten Rules

By F. E. French

John V. Farwell Co., Chicago



F. E. FRENCH

After devoting something like 81,000 hours of my life in the past 40 years to the fulfilling of my duties as a credit manager, I feel, since I am now in excellent health, particularly well fitted to

give credit men through the columns of the CREDIT MONTHLY as many thoughts as limited space will allow on how to retain Health, and to achieve Happiness and Success.

Because Happiness and Success depend so largely on physical condition, let us consider Health first. There is nothing so invigorating as the early morning bath. Acquire the habit of visiting your optician and dentist periodically, and brush your teeth as often as you ordinarily wash your hands. Also remember that they depend as much on the food you eat for strength and condition as do the other organs of the body. They must be kept in health by foods rich in calcium (milk, cheese, and other foods containing these ingredients) and leafy vegetables. Bran breads and cereals give us the lime that is needed, and both meats and vegetables cooked without the loss of juices provide the same vital elements for our teeth.

Don't eat too much. When tempted to overeat think of the French: their rule is to leave the table feeling hungry. A fairly safe rule is to consume about 3 per cent. of our weight each day. The words of a noted singer might be memorized to help us choose a balanced menu: "The greatest of beauty recipes can be obtained by opening Nature's vanity case. To make your lips red, eat carrots.

A

For Health, Happiness and Success

1. Keep short hours, never more than eight hours a day. Back in 1887 I started a petition among the large manufacturers and wholesalers of Chicago to close our places of business at one o'clock on Saturday for two months during the summer. This was the start of a national movement and is one of the most pleasing memories I can bring up from my years of business activity. In any day keep under seven hours of actual effort. The nervous force used in that time is all you can give in the active life of a credit manager.
2. Take a real vacation every year and let it be three weeks rather than two.
3. Have your shoes and bed comfortable, for in these two "vehicles" your body will spend all its years.
4. Eat only what you can digest properly and only as much as is suited to the exercise and fresh air at your command. If your friends wish to talk business at luncheon, hunt for other places to eat. There is a time for everything; don't try mixing business with pleasure relaxation.
5. Commence your day right. Never leave home in an upset state of mind. Never run for a train.
6. It has been said that no man can be real gentleman who does not have a sense of humor. Let your spirits be alert for the amusing. Enjoy a hearty laugh. It does away with the gloom of every day life. It aids digestion and expands the muscles.
7. Avoid the misplacing of nervous energy by the writing of long business letters as they are in most instances unfavorably received.
8. Have your teeth cleaned and examined by a dentist every six months. If you are over 40 years of age, have your eyes examined every 3 years, while if over 50 years of age, have a good diagnostician periodically give you a thorough physical examination.
9. If you are successful in accumulating more than your present and future requirements, make your gifts while alive and thereby enjoy seeing the pleasure they give to others.
10. Keep your conscience clear. Do not ask anyone to sign a paper that you yourself would not sign were you to change places with him.

To rouge your cheeks, eat apples. To keep your skin smooth, eat spinach. By eating vegetables, drinking plenty of milk and water, exercising in the open air, sleeping eight hours every night, you will be able to match anyone in health."

Exercise

Like eating, exercising is a habit. At first we may control both by planning, and then our habits control us unless something shows up that we need to change. Walk to and from work if that is possible. At least a part of the distance is always possible, and a brisk half-hour on foot will put your system into fine shape for the day. I am told that one of our finest Chicago surgeons walks the five miles to his hospital every morning as a preventative of gout, and that he is never late for his operations. Walking is still possible in this rushing age, and it is an excellent exercise. It expands the lungs, gets at every muscle moderately, clears the head, and gives the body a chance to start mild elimination through the skin.

Worry

If you want to keep young, you must not worry. It weakens will power, saps nerve power and dissipates concentration. Worry is the result of an imaginary demon that looks real if we are scared.

Worry is peculiar to the human animal. The only animal that thinks, he gets his thoughts twisted, misplaced or clouded, until he thinks worry is real, when in truth worry is only the result of imagination. The best way to be effectively sensible about worry is to learn to make ourselves insensible to it.

If you are physically sound and enjoy ordinary good health, the pursuit of Happ-

(Continued on page 28)



Selling Terms and Goods

The Salesman's Job

By F. D. Rock

Armour & Co., Denver

SHOULD salesmen make collections, is a much mooted question. There have been many arguments, not devoid of logic, advanced from time to time for or against it. A great deal of careful thought and analysis on the subject, and considering it from every angle, has convinced me that it is entirely practical with the great majority of the large jobbing houses, and not only practical, but essential in a goodly portion of them.

For instance, many large firms engaged in extensive and a practically country-wide business, are confronted primarily with a condition, which seems to be a natural one, and which establishes that class of business at the outset as one being founded primarily on cash transactions. The best examples of these, perhaps, are found in those lines which depend for their raw material largely on the productions of the Agricultural Industry,—Produce, Dairy Products, Cereal Products (especially flour) Sugar, all Packing House Products, etc., etc. In all these spot cash is paid generally for raw materials or merchandise.

It becomes necessary then, in this class of manufacturing or jobbing, or both where combined, that turnover should be made on the shortest possible terms, in order that borrowed working capital may be held to a minimum and that resulting interest charges be minimized or conserved to the utmost. This can undoubtedly best be accomplished by working through men in the field, who of course are the salesmen that sell the finished product to the trade.

In fact, the jobbers in many large and extensive lines covering a considerable territory by their salesmen with more or less regularity, would find it, in my opinion, to their advantage to handle collections through their salesmen, if they expect to get a turnover at all in line with their established terms.

Certain jobbing lines or certain jobbing houses, whose salesmen make their territories only three or four times a year, probably would not find it to their advantage to adhere very strictly to this plan, because remittance would undoubtedly be made by the large majority of their trade before the next visit of the salesman. Still they would find it to their advantage to have the matter of collection on any slow and unresponsive account referred to the salesman on the occasion of his next visit, for prompt adjustment and payment.

Trade Relations Won't Suffer

I believe that the old theory that collections by salesmen is likely to upset or strain trade relations, has been exploded and thoroughly disproved by practical demonstration. Salesmen should be impressed with the thought that they are not merely vendors of merchandise, but occupy the broader position of representatives of their house in their particular fields, and that as such they have more than merchandise to sell. They have both credit and terms to sell.

There are two distinct angles to the

credit game; (a) that of actually passing on the credits, and (b) that of making the turnover and return of the proceeds in proper time. It is incumbent on the Credit Department to supervise in both lines of endeavor, but the title "Credit Division" may well be applied in a broader



F. D. ROCK

sense to include all of those in a concern who are directly or indirectly interested in selling merchandise, the creation of accounts arising therefrom, and the ultimate liquidation. These must assume individually their portion of the burden and responsibility in this connection.

The Credit Manager is entitled to and should receive the heartiest and closest co-operation on the part of the salesmen. Merchandise can be sold to the trade only by logical and convincing argument, and terms can be and are sold to the trade by the same psychology of salesmanship. This is an added responsibility then; and if bad debt losses on the salesmen's territories are figured in their results, and they take the requisite pride in those results, they will be more conscientious in their credit recommendations, and appreciate that once the credit line is granted, their responsibility has not ceased, but in fact has only just begun. It is incumbent upon them to watch the changing conditions in their trade, and in the individual cases, and be constantly on the lookout for signs of distress, and finally the danger signals that are unmistakably present in approaching disaster.

Star Collectors Are Star Salesmen

Another convincing argument in favor of collections by salesmen lies in the fact that everywhere,—to judge by my own experience,—I have found that the salesmen who present continually the cleanest set of accounts, with collections made more closely in accord with terms, are the very ones who are making the best records from the standpoint of volume and profits. They have been all-around salesmen and representatives of their house, have sold terms to the trade, have lost no prestige in consequence, and have commanded the respect of the trade both for themselves and the house they represent.

Many credit managers, and in fact many of our large jobbers would scarcely give credence to the statement that some companies will show a turnover in their outstanding accounts of from fifteen to twenty days on the average. Yet this is a plain statement of fact. In my opinion it could be accomplished only through the frequency with which the salesmen covered their territory, and the selling of short terms and prompt payments in accordance therewith to their trade.

Buyer's Pride in Keeping Contract

Under the law, each sale is classed as a separate contract. If then, both merchandise and terms are sold, and the jobber complies in every way, as Party of The First Part, in delivering merchandise of a certain quantity and quality at a price agreed upon, and all the service that goes with the delivery of said merchandise to the Party of the Second Part, then there is every logical reason why the Party of the Second Part should take just as much pride and be as conscientious in performing his part of the obligation at maturity. If it were a case of a signed contract, he in his pride and defense of his own integrity would consider his signature to the agreement just as good as that of the Party of the First Part whom we are assuming to be a large jobber, in high capital and credit standing.

The observance of terms has fallen into abuse, and there seems to be a tendency to drift farther from prescribed terms; to extend too much leniency to the actual detriment and often ruination of the debtor. We believe it is time to "Stop, Look, and Listen." All of the large jobbing lines are nationally organized and the observance of proper terms is something worthy of careful thought and action. If more prompt compliance with regular terms were insisted upon there would be fewer failures, and the tremendous bad debt losses would be reduced in astounding proportions.

I am thoroughly sold on having salesmen under proper conditions collect for all items that are due on the occasion of their visits.

Checks As National Currency

(Continued from page 11)

an even greater importance than it had ten years ago. Excepting in the retail line, checks have practically replaced currency in the business world for all but two kinds of payment, petty cash and payrolls. Even in this latter field the custom of paying by check is gradually gaining headway. The system has obstacles to overcome, many founded on prejudice, but there can be but little doubt that the next decade will see this custom much more generally adopted.

In deciding upon a protective device to adopt, we choose one which seemed best fitted to our needs. The feature of protection extended to the payee's name seemed worthwhile.

In conclusion I must say that we do not rely upon our check protector to the exclusion of using every reasonable care in handling our checks. This, I believe, should never be done. Protect your checks by all means and use that device which best meets your individual requirements and seems to offer you the most practical protection, but never, for an instant, lose sight of the fact that the best protection in the world must be backed up with common sense and care in the matter of handling checks.

Salesman's Co-operation

Will Help Secure Settlements

By E. C. Brunst

THE question, "Should salesmen be used as collectors?" is always assured of much discussion at both credit and sales conferences. As a matter of fact, when the credit executive chooses to use the term "collector," he undoubtedly creates an unfavorable state of mind with the salesmen, and this is bound to interfere with that degree of co-operation that is essential.

With the exception perhaps of a few lines where the terms are very short and the turnover constant, salesmen should not be used as "collectors," but rather to assist in securing settlements where and whenever they are difficult for the credit executive to obtain. There is such a thing as creating too much resistance in the mind of a customer, and thereby interfering with the salesmen's selling efforts.

There is no doubt that the credit and sales departments in every progressive business work together a great deal more intimately today than ever before. Of course it is highly important that the credit executive sell himself, his policies, methods and his capability to every member of the sales force. Once he has done that, his task is comparatively easy.

He knows, as does the wide-awake and energetic salesman, that (1) a sale is profitable to the house only after it is paid for; (2) the terms of sale must be at least reasonably complied with; (3) delayed settlements invariably mean some friction which retards building up volume on any account and when a customer gets behind in his settlements he stops buying entirely or transfers his buying to another house.

Value of Personal Visits

The salesman likewise knows that if an order is held up because of serious delinquency it usually is impossible to reconcile the customer to this delay, no matter how badly he may be in arrears. The average customer's pride is more quickly injured in this way than any other. Many retailers are either unequal or indisposed to justify, by correspondence, even temporary tardiness. If it were possible for the credit executive to make personal calls in every instance, that would be ideal. This is neither possible nor profitable, hence, the responsibility should rest upon the salesman who is well aware of the great advantage of a personal visit.

Moreover, settlements are more readily made with the salesman's help, and the customer's good will is maintained. Furthermore, if there are unfavorable factors present; if the customer is developing difficulty or is deliberately taking advantage of the house, the surest way of detecting it is by a personal discussion. Thus the salesman has an excellent opportunity to assist constructively, or to tip off the credit executive so that suitable action may be taken while there is still time to avoid loss.

The steady and consistent progress of any business depends considerably upon the closest possible co-operation between the credit and sales divisions. Their poli-

cies, terms and collection methods must of necessity be closely co-ordinated in order to fully develop each account to its maximum volume.

Co-operation Established

It is strikingly evident today that these conditions are recognized, for the credit executive takes active part in sales conferences, just as sales executives and salesmen attend credit conferences and credit men's meetings.

Too much emphasis cannot be placed

on the principle, stated above, that the credit executive must sell himself and his capability to the sales department. It is equally important that he impart to the salesmen his ideas on how credit is established and how settlements should be made under various conditions. Once the salesman knows his opinions and recommendations will be respected and relied upon, he will insist upon being closely informed by the credit department of serious delinquencies in advance of calls, and will make it his business to get facts and to carefully check up those accounts that require watching.

Whenever this subject is discussed, it always brings to mind the noteworthy address of Norvell Hawkins delivered at the Convention of the National Association of Credit Men in June, 1919 at Detroit. He pleaded for the greater development of "Credit-Salesmen" and "Sales-Credit-Men" and made a profound impression on the Credit Executives in attendance.

Salesman A Credit Man

Every Credit Man A Salesman

By A. J. Goldwater

Stewart-Dawes Shoe Co., Inc., Los Angeles



A. J. GOLDWATER

A MATTER that is always a topic of discussion is co-operation between the Sales and Credit Departments. As I am a firm believer in co-operation, naturally this topic is of a great deal of interest to me.

Many credit grantors have various sources from which to get information. They have (a) the Interchange Bureaus for the exchange of ledger information; (b) the mercantile agencies, and (c) financial statements (whenever they are able to get them), and (d) information from the salesmen of their own companies.

In the past, the salesman did not know the benefits that could be derived by co-operating with the credit man. He figured that it was his duty to sell—and that then it was up to the Credit Man to do the collecting.

However, for several years there has been an apparent disposition by the sales and credit departments to get closer together. The salesmanager has realized

that co-operation with the credit department is advantageous to the sales department, and he has instructed the salesman to keep the credit man posted to the best of his ability on all accounts in his territory.

In our territory, all but two of the salesmen call on their trade every week, every two weeks, or every four weeks. The two exceptions call every sixty days. Our salesmen are therefore in a position to give us a great deal of beneficial information and get closer to their customers on account of their frequent visits. They are constantly gathering information needed by the credit department. Especially when selling a new account the salesman can render service to the customer by supplying the credit department with dates, because the credit department is often in a position to make earlier shipment than if it had to wait to secure the information from other sources.

Salesmen as Collectors

A great many merchants prefer to pay the salesmen when he calls; and a larger volume of business can be had where the account pays promptly. Like the poor, the slow pay will always be with us; and the salesman, when he makes prompt collections, is enabled to do a larger business with the merchant than he would if the account were allowed to go unpaid for several months.

Every account of this description has its limit, and when the limit has been reached, the credit department will not check until payment has been made.

Our salesmen are of high type, and our slogan is, "Every Salesman a Credit Man—and every Credit Man a Salesman." We find that the working out of this principle is beneficial to all concerned.

Advice for Customers Found Advantageous Practice

By W. C. Hanson

E. G. Schafer Co., Washington, D. C.



W. C. HANSON

ESPECIALLY in the early stages of a business enterprise, advice from more experienced business men and from lawyers, familiar with the details of business organization and management, is of the utmost value. Such advice may mean the difference between success and failure for the enterprise.

The practice of Business Service on the part of the Credit Manager utilizes all the facilities at his command for the benefit of the customer.

He has seen the struggle of new enterprises. He can, for example, often judge whether a new business should be incorporated or should be run as a partnership, or if it should be attempted at all. He can sometimes tell at a glance that two men who are about to go into partnership are incompatible and would do better if they set up two separate businesses.

He can advise an ambitious mechanic, before he starts out in business for himself, to secure the right kind of a partner. He can give vital assistance to the customer by putting at his disposal the service of his own legal counsel.

The Credit Manager who practices Business Service, may write to the head of a newly organized concern somewhat as follows:

"Dear Mr. Smith:—We have, in the past, been able to serve our friends, at no cost to them, in a specific way that has been so successful that I want to call your attention to it. This is the matter of legal advice. We have made arrangements with our counsel, Mr. John B. Roe, of 250 Elm St., to give you advice as to the legal aspects of your business.

We find ourselves that being in touch with a competent lawyer keeps us out of a great deal of trouble and enables us to go ahead in our business. I have seen enterprises, especially when they are starting out, get into entirely unnecessary difficulties merely because they had not had twenty minutes talk with a reliable lawyer.

We want you to feel free to go to Mr. Roe and ask his advice, just as we do ourselves. We are not thinking of a law suit or any elaborate legal service, but we are suggesting to you that you take up with Mr. Roe, as the oc-

casion warrants it, the matter of contracts, mechanic lien rights, or any other legal matters pertaining to your business about which you are not thoroughly familiar. This service, gratis to you, will save you worry and perhaps unnecessary loss.

Wishing you every success in your enterprise, and assuring you that this company is very much at your service, I am

Cordially yours,"

The lawyer is under a special retainer from the company to look after the customer when he acts upon the suggestion in the above letter.

For example, the customer calls on the lawyer and describes the first steps he is taking to set up his business. The lawyer may advise incorporation but *does not offer* to act as his counsel in the matter. The customer at the end of the interview is perfectly free to go elsewhere to get the incorporation papers drawn. It is highly probable, however, that the customer will ask the lawyer himself to draw them. In this case the expense of incorporation plus legal services therefor is thoroughly understood beforehand. The lawyer makes it clear from the start that the customer is not to pay for advice unless it requires actual drawing of papers, going into court, and so forth.

The lawyer, with tact, can see to it that the customer is not disappointed with what he has been offered by the company.

It has been proved that such an arrangement as is here described, can accomplish three desirable things: (a) Genuine service to the customer, (b) a strong business friendship between the customer and the company, and (c) a natural increase in the lawyer's contacts and consequently in his practice.

Mooching Discounts

By Howard F. Barker

Belcher & Loomis Hardware Co., Providence

BUSINESS is subject to a new ailment. In every manufacturing or wholesale concern there are more men who have acquired the habit of buying at a discount from their friends and their friends' friends in business instead of patronizing the retail stores of the city.

Six financial executives in different lines of business were lunching together the other day and one of them expressed his disgust at the lengths to which a man will go to secure a discount on an automobile tire, a clock, half a dozen outing shirts, an office desk, a fishing rod, or a dozen cans of baked beans. Two of his friends could see no harm in this kind of buying.

"I believe I save two hundred dollars a year in that way," said one of them. "I am increasing my buying power because I live up to my income; and what I am doing tends to keep the factories going and increases employment, and so forth."

"Perhaps," replied the first man; "but don't you admit that you are doing an injury to the retailer upon whom all of us—manufacturers and wholesalers—depend; and don't you admit that the average individual and member of the consuming public is getting it into his head that it is unnecessary to pay retail prices and that by a little wire-pulling he can pay less than is paid by the regular customer of the retail stores?

"I know a man who is building a wing on his house, and who has spent a great deal of the time his firm is paying for in getting in touch with a pottery concern, in order to save about twenty dollars on the equipment of a bathroom. And yet he knows as well as anyone that a large proportion of the cost of a modern bathroom is for labor and not for the fixtures. Meanwhile, he is getting in bad with his contractor, who will have no desire to save him money. Figuring in his own time, I doubt very much if he saves



HOWARD F. BARKER

anything like twenty dollars on the whole operation. He has also put himself under obligations to the manufacturer, which may be embarrassing later."

"You are dead right," remarked another of the men at the table. "I have been guilty myself of mooching discounts, as the man in the novel 'Babbitt' calls it. But I am about ready to reform. A salesmanager, whom I hardly know, spoke to me in the trolley this morning and asked me if I knew where he could get a radio head-set without paying the full retail price. Luckily my company does not handle head-sets, and I told him I did not know anybody to whom I could give him a note of introduction for this purpose."

Every man at the table, except the first speaker, admitted that he was in the habit of doing this kind of buying, but only two defended it.

The demoralizing habit of avoiding straight retail buying is one that should be discouraged by all business men, especially by those of us who are dealing with credits and see plainly a trend of this kind and realize what it leads to.

Credit Men to Meet General Pershing and Bishop Freeman

General Pershing to Go to Mount Vernon with Credit Men Delegates



JOHN J. PERSHING, General of the Armies of the United States, (Retired), has accepted the invitation of the National Association of Credit Men to accompany the delegates of the Thirtieth Annual Convention on their trip from Washington, D. C., to Mount Vernon, the home of General Washington, on the afternoon of Wednesday, June 10.

General Pershing will make a brief address during the ceremony of laying a wreath upon the tomb of Washington.

When Pershing Retired

On the occasion of General Pershing's retirement in 1924, after a military service that began in 1882, the Board of Directors of the National Association of Credit Men passed the following declaration:

"The retirement from active life of a man who conducted with glorious success the largest single administrative job in the history of the United States may well be noted by the officers and directors of the National Association of Credit Men at their annual meeting.

"General John J. Pershing, as the supreme military commander of more than two million American soldiers, thousands of miles from home, was responsible for their organization, training, subsistence, clothing, shelter, discipline, health and distribution and for their *success in battle*. He accomplished this incredibly difficult task in a minimum length of time with a smooth efficiency that would have won for him a peerage and a fortune under a monarchy and millions of dollars if his employer had been a private business concern.

"An administrator of less capacity and character would not only have added to the Nation's deathroll and increased all the evils that follow in the train of war, but would have loaded upon American business a tax burden even greater than the one that is now being carried.

"As a business organization, we believe it is proper to offer a tribute of genuine appreciation to General Pershing on his retirement from the command of our Army. Since boyhood he has devoted himself to the nation's service. Since the War, he has also displayed, to a marked degree, dignity, unselfishness and far-sighted patriotism.

"May his splendid service to his country and the respect of all his fellow citizens be ever regarded by him as his chief compensation. May the remainder of his years be filled with happiness."

The Bishop of Washington

ONE of the principal speakers at the Thirtieth Annual Convention of the National Association of Credit Men will be the Rt. Reverend James E. Freeman, D.D., who has been Bishop of Washington since 1923, and is celebrated for his eloquence.

Bishop Freeman is peculiarly fitted to address an organization of business men because before entering the ministry he was himself a business man. He once told a director of the National Association of Credit Men that his business experience included at one time the granting of commercial credit.

About forty years ago at the age of 18, he got a job as an accounting clerk with the Long Island Railroad. Later he was with the accounting department of the New York Central Railroad. For many years he worked in the old Grand Central Station in New York.

The late Henry Codman Potter, Bishop of New York, became interested in him and induced him, at about thirty years of age, to enter the Church. Under Bishop Potter's personal tutelage, young Freeman studied for the ministry, while holding his railroad job. At about thirty-three years of age, married and with an established business position with a great railroad, he was ordained.

The fact that he has nearly twenty years of practical business experience behind him is one of Bishop Freeman's great assets. In the huge administrative and financial, as well as religious, task of finishing the construction of the great ten million dollar Episcopal Cathedral in Washington his knowledge of business principles has been invaluable.

The conception of "A House of Prayer for All People in the Capital of the Nation" goes back to the plans for the city of Washington drawn by Major l'Enfant under the direction of George Washington in 1791. This idea took more concrete form in 1869 when W. W. Corcoran offered an entire city block as a site if a million dollars were raised to build a "National Cathedral of the Protestant Episcopal Church."

No definite progress was made, however, until 1891 when a small group met at the home of Charles C. Glover in Washington. In 1893 Congress granted a charter to the Protestant Episcopal Cathedral Foundation for religious, educational and philanthropic purposes. In 1898 the site upon Mount Saint Alban, about three miles north of the White House, was secured. Since then, additional tracts of land have been obtained by gift and purchase, and today the Cathedral owns sixty-seven and one-half acres on the most commanding site in the District of

Columbia. The foundation stone on the Cathedral was laid in 1907, and the work begun on the Bethlehem Chapel in the following year. The National Cathedral School for Girls, now an institution of 250



students, was opened in 1900, and St. Alban's School for Boys opened in 1907.

Services are now held regularly in Bethlehem Chapel where Woodrow Wilson was buried in February, 1924. Bishop Freeman's sermons on Sunday afternoon at four o'clock are broadcast to a vast unseen radio congregation.

The work of building the Cathedral proper was begun under Bishop Satterlee, was continued by his successor, Bishop Harding, and is being pushed forward by Bishop Freeman. The Bethlehem Chapel was consecrated in 1919. Prior to the World War, construction proceeded as fast as funds were secured. Following a period of inactivity during the war, the movement to complete the Cathedral at an early date was given new impetus with the co-operation and assistance of outstanding men in America. The Rt. Rev. Thomas F. Gailor, D.D., Presiding Bishop of the Protestant Episcopal Church, is the honorary president of the National Cathedral Foundation. Senator George Wharton Pepper, national chairman, and Secretary Andrew W. Mellon, treasurer. Members of the Cathedral Chapter are: The Rt. Rev. James E. Freeman, D.D., the Rt. Rev. James DeWolf Perry, D.D., the Rt. Rev. Philip M. Rhinelander, D.D., the Very Rev. G. C. F. Bratenahl, D.D., the Rev. William L. DeVries, Ph.D., D.D., Charles C. Glover, Esq., Charles J. Bell, Esq., William C. Rives, M.D., Hon. Henry White, LL.D., Corcoran Thomas, Esq., James Parmelee, Esq., William Holland Wilmer, M.D., LL.D., Hon. George Wharton Pepper, LL.D., and Gen. John J. Pershing.

The Cathedral will be 534 feet long and 215 feet wide at the transepts with the great central tower rising to a height of 262 feet. There will be room for 5,000 persons, seated, and 22,000 standing.

A cordial invitation to visit the Cathedral site and that part of the edifice already constructed has been issued by Bishop Freeman to the delegates to the Credit Men's Convention.

Our High-Calibre Men

Inspiring and Helpful As Friends

By A. J. Peoples

Detroit Copper & Brass Rolling Mills, Detroit

First Vice-Pres., National Association of Credit Men

IN taking a retrospective view of the numerous gatherings of credit executives which it has been my privilege to attend in the past twelve years the many benefits derived are brought home to me. The one thing, however, that stands out most prominently is the value and importance of personal acquaintance with other credit executives. And there is no place this

can be cultivated so well as the National Convention and State Conference. It is impossible to closely associate with men of broad vision, intelligence and high caliber without becoming imbued with their spirit and ideals. These good qualities are quite as infectious as any others, and usually more so if we are in a proper frame of mind.

When we get out of the confines of

our own organization, our immediate locality or town, we are more apt to place a proper estimate upon the value of personal acquaintance. This is especially true if it becomes necessary to seek by correspondence accurate, dependable information upon which absolute reliance may be placed.

A particularly important and outstanding transaction occurs to me as I indulge in reverie, carrying me back over a period of some twelve years of close, intimate association with the high type of men it is usual to meet at the gatherings of credit men. It was my good fortune a number of years ago, at a meeting of our National Board, to be drawn into close contact with a gentleman whom I had never met before. He was the type of man who would naturally attract one by his manly demeanor, his open candor and his lovable character—a man whose friendship you would cherish and whom you would like to count as one of your close friends. Admiration on my part and a mutual friendship was the result of this meeting.

Some years later a few rather peculiar things occurred in connection with an old customer in the same town where this gentleman was located. They were not necessarily indicative of any danger but they did prompt some investigation and inquiry. It occurred to me that my friend could assist me in securing reliable information. Upon corresponding with him, I learned that he had become the chief executive of his organization and, fortunately, he was in possession of most intimate knowledge concerning the subject of my inquiry. And he was very glad to pass the facts along to me.

The information supplied was a plain statement of facts, which could not have been secured in any other way or through any other medium. It was the personal acquaintance and the confidence in each other that made the candor of the reply possible. This acquaintance of some years ago, which ripened into friendship, resulted in the avoidance of a loss of over \$12,000, as the subject of the inquiry passed out of existence some months later with heavy losses to the creditors.

This one incident has vividly fixed in my mind the unusual significance and value of close personal contact and friendship with men engaged in similar lines of endeavor. Many more could be recounted.

But we should not seek to cultivate friendships with this one object in view—this should be only a by-product. If we would have friends, we must cultivate a friendly spirit. It is a fine thing to form the habit of making acquaintances and developing them into fast friendships. Much can be done in this direction with a little forethought; it is worth the effort.



A. J. PEOPLES

Before the First Convention

Credit Specialists Were Rare in Early 'Nineties

By **Richard T. Baden**

Holland, Baden & Ramsey, Baltimore

Second Vice-Pres., National Association of Credit Men

THIRTY years ago, before the National Association of Credit Men held its first convention, there were few, if any, specialized credit departments. The customer came to his principal market to buy his merchandise and was usually known by the proprietor or partners of the house. Credit was extended to him on personal acquaintance as much as on financial responsibility, and the credits were largely handled by the book-keeping or accounting departments under the general direction of the owner of the business. The specialist in commercial credits was almost unknown.

In the 'Nineties the era of tremendous commercial growth began. Corporations in great numbers came into existence. Continued improvements in transportation facilities and distribution of merchandise on a much larger scale took place, together with many complex state laws; the work of passing on credits and the handling of collections compelled the establishments of credit departments which became a necessity in the larger business organizations.

Within the past ten years the credit manager's position has been improved and the credit executive has come into being. It is an ineluctable fact that this is largely due to the influence and guidance of the National Association of Credit Men. The credit executive of today is a specialist in his line. The complicated problems of the post-war years have necessitated a study of business conditions generally, which has broadened the credit executive's horizon, has established him as an authority on credit, and has forced the recognition of the credit department as one of the most important factors in every business. The department is now considered a producer and profit conservator instead of a necessary evil.

The credit man has a man's job to build up his skill and experience to a point where he deserves the name of credit executive. He must have a thorough knowledge of all the facilities, mechanical and human, that are available nowadays for the credit department. He must appreciate that co-operation with the other executives of his own house and with his fellow professionals in the credit world is a watchword never to be forgotten.

The real credit executive can furthermore benefit his profession and improve his position by being a student of the trend of business, and by being familiar with local conditions in the territory in which his company distributes its merchandise. Thus equipped, he will be able to determine in what sections the business should be increased and to forestall failures in those sections where conditions are unfavorable. He will then merit the confidence of the sales department and secure the co-operation essential to the proper handling of credits.

By his tactfulness in handling his customers he can develop business, and also be in a position to give them competent advice should they be losing ground and in danger of financial embarrassment. Many a business has been steered clear of the rocks after timely warning. In this manner the credit executive will become a credit counselor and the credit department, quite as important as production or sales, will reach its highest ideals and

take its place as the balance wheel of the organization.

The credit executive can further improve his position by being co-operative in all that he does, by appreciating the fact that whatever benefits business as a whole benefits him individually, and by entering whole-heartedly into all plans for the improvement of American Business on the lines established by the National Association of Credit Men.

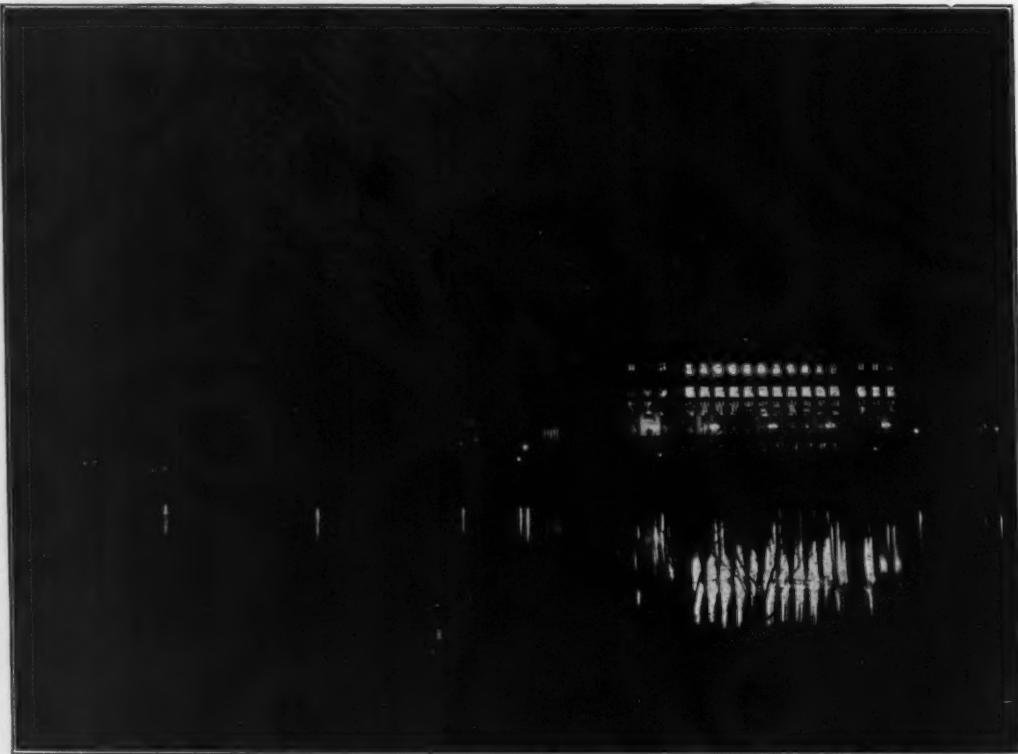


RICHARD T. BADEN



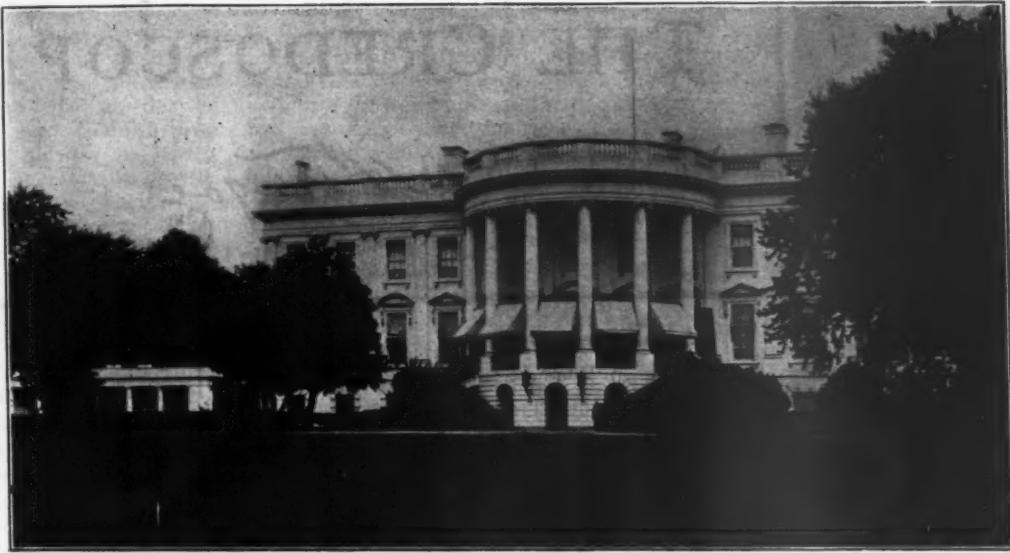
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THE GREAT AMPHITHEATRE AT ARLINGTON NATIONAL CEMETERY
PHOTOGRAPHED AT A DISTANCE OF FIVE MILES



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AN UNUSUAL VIEW OF THE BUREAU OF ENGRAVING, WASHINGTON, D. C.



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THE SOUTH PORTICO OF THE WHITE HOUSE



THE SENATE OF THE UNITED STATES IN SESSION



THE CREDO SCOPE

Distress Merchandise

IN CALCULATING the economic waste of credit losses, one rarely if ever takes into account the unmoral and detrimental effect of bringing distress merchandise into competition with merchandise bought at market prices and offered in legitimate ways.

Not far from New York is a city whose merchants are greatly perturbed over the fact that almost every week or two sales are opened with the offering of merchandise far below replacement prices.

The calculation of the credit losses of 1924 at seven hundred million comprises merely the losses of creditors. It does not include the indirect loss to business by the resale of merchandise at prices less than the cost of production.

Suppose, in the liquidation of failed estates during 1924, there were three hundred millions of merchandise to convert into cash so that creditors might receive their share if there was anything left above expenses. This large amount of merchandise would be disposed of at private or public sale; some of it would go into places where no damage would happen, especially when bought in small lots, but other portions would be bought by the traders who fatten on distress merchandise and would be resold in any way that might bring some little profit. Then again, in the criminal practices we run across, there are fences to contend with,—men who buy merchandise at low prices and no questions asked. Oftentimes merchandise enters the front door of a buyer's place of business, merely to leave through the back door and find its way into the hands of a confederate who will get for it what he can and who will divide the proceeds.

We may safely calculate, aside from credit losses, the actual loss to

business in the course of the year through the ill effects of distress merchandise at several hundred million dollars. The reduction of such a sum is enough to challenge our interest and our ingenuity. We are not living up to just principles, we are not fulfilling our obligations unless we protect the honest merchant and allow him to operate on a basis that will assure some little return in the usual course of a legitimately-conducted business.

Not long since I was passing through the street of a city in the Northwest and round about me were legends plastering the store-fronts, beguiling the passer-by to purchase goods at cut prices. I wondered at the time where this merchandise came from. What a crying shame, I thought, to have it come into competition with the honestly acquired merchandise offered by the deserving, hard-working merchants of that city!

We can set it down as indisputable that sales of this kind are not good for a community. To claim that buying goods at such low prices is a help to a community, is a fallacy. A community is not helped unless its merchants are prospering and there is coming into it a steady flow of income. These fly-by-nights after raking in the coin depart for other scenes and, therefore, are not worth powder and shot enough to blow them off the earth.

I feel a keen resentment on this subject of distress merchandise, which is a social as well as an economic matter. Would that I might arouse among business men an appreciation of the handicaps suffered by legitimate merchants by the throwing upon the market large amounts of distress merchandise! When we wake to the consciousness that this is an undesirable and an unmoral thing, then I am confident that, as usual, our ingenuity will soon break the path to a remedy.

A Piece of Good Advice

THE FIRST Comptroller of the Currency, Hugh McCullough, in a circular letter addressed to the National Banks in 1864, gave this excellent practical advice:

"Never deal with a rascal under the impression you can prevent him from cheating you. The risk in such cases is greater than the profits."

Matching shrewdness against shrewdness may seem like sport, but McCullough was sagacious in advising the banks of the National System to take no chances in the matching of wits.

When the character element of a credit risk is clearly absent or when the presence of it is sincerely doubted, have nothing to do with the risk no matter what inducements in the way of profits may offer! The experiences of our older concerns, if bared, will reveal case upon case where the attempt to outplay the shrewdness of an unscrupulous business operator had met with failure.

If the proper stand is taken and confidence denied those who are not entitled to it, credit losses would undoubtedly diminish and we would help the deserving merchant by making it difficult for the rascal to have a chance.

Speculation has attractions difficult to resist at times; but when it comes to throwing the credit dice in contest with the rascally inclined person, the chances are that the speculation will prove a loss.

In our devotion to volume we have brought to pass some of the most serious problems of the present day, and chief among them is the tendency to maintain volume at the expense of sound principles.

Six decades ago, the sagacious mind that organized the Currency Department of our government, recognized that it was not a wise practice to take the risk of outdoing a

rascal, and that good banking in particular commanded an adherence to the very soundest principles.

Would that our business executives would show more generally than they are doing at present that volume is not the all-desirable in business and that an over-anxiety for volume may diminish profits by encouraging unwise and speculative trading. The rascal is usually hard to reach because of his ingenuity; it is far better not to take the risk of getting the better of him in credit transactions. The probabilities are he will get the better of you, as business history so fully proves.

There can be no qualifications in the matter of character. It is the support of confidence that in turn is the support of credit.

The Swing Toward Conservatism

SOCIALISM has had its day in Europe, and in my opinion has largely failed. The reason is that Socialism attributes to human nature tendencies seldom realized. Its insistent demands for "social justice" premises human beings eager and anxious to follow certain lines of action, while as a matter of fact these human beings follow opposite lines as a rule, and therefore their recalcitrancy, as it may be called, upsets the calculations of the Socialistic dreamer.

We have had "social justice" proposed in many countries. Our own country has not escaped its propaganda. These dreamers demand certain privileges for democracy; yet put to the test these privileges would eventuate into autocracy.

The framers of our Constitution were sagacious enough to appreciate the dangers of majority rule and therefore provided a system of checks and balances intended for the defense of the minority.

Dreaming and realization are two very different things. Although dreaming has often been the impulse of genius, only as sagacity has controlled the application of the dreams have real results been accomplished.

We can notice in Europe a distinct swing of the pendulum toward conservatism, and away from socialism. This is my construction of Germany's elevation to the president's office of a man who has been charged with monarchical tendencies. We should reserve decision; but I cannot feel that von Hindenburg's election means anything more than that the German people were tired of romantic idealism and wanted to get down to the bed rock of practical things.

It is noticeable in our own country that wherever the left wing of a prominent party forces certain changes in our Constitutional provisions and seemingly for the protection of the people, that these experiments have proved the wisdom of the forefathers; and that nothing, perhaps, is more dangerous than the uncontrolled tendency toward a leveling process. We are not born equal,—though we have equality of opportunity and an equality of position before the law, and therefore the leveling process that is sometimes styled "social justice" runs contrary to the course of human nature and creates trouble where harmony was hoped for.

Sagacity, and not romantic dreaming, is what this old world needs at the present time. Radicalism has had her chance in Russia. More moderate left wings have had their chances in other countries. But we find no solution of human problems and there is none in sight until we get down to the bed rock of seeing things as they really are and doing what will help in the solution of every problem,—namely, work and think.

This may not carry the essence of a credit subject but after all whatever is human relates itself to credit, because credit is a human power. The credit current flows better and there is less clogging of the channels when we are dealing sagaciously with conditions and not trifling with them with the romanticism that has resulted always in the last condition being worse than the first.

The Deterrent Effect

THERE is one thing the business burglar fears above everything, and that is punishment. Our prisons contain many who are sick, offenders who were better in the hospital than languishing in cells. The business burglar seldom lacks ingenuity, however, nor the possession of his faculties. He is a type of fellow who steals because it is less dangerous to spirit away merchandise than to hold up pedestrians on the highways or drive the officers of a bank into a vault while the cash on the counter is made away with.

The National Association of Credit men has felt all along that one of the most protective benefits of its ardent and systematic campaign for the suppression of commercial crime would be its prevention, and this expectation is even now being realized. In one of the large cities where a most vigorous campaign for contributions to the prosecution fund has been carried on, a

prosecuting attorney noted a marked decrease in fraud complaints, more marked than at any time since his official attention and efforts had been directed to the punishment of commercial crimes.

The knowledge of a systematic and well-financed department, prepared to act whenever well established suspicions of crime are discovered, will unquestionably have a material effect in deterring the fellow who in other circumstances would have felt it was comparatively easy to obtain goods on false pretenses and pay his creditors a pittance or nothing at all.

Punishing the offender is a part of our scheme for the suppression of commercial crime; but far above the punishment of offenders is the effect on the potential criminal who would have had no conscience at all against stealing merchandise if it could be done with comparative safety to himself.

The business of this country may justly regard our defense of commercial credits as the most outstanding and vital protection of the kind ever planned. For the Association to jump into the breach, recognize its responsibilities in the emergency and seek to throttle the offender burrowing from within, expresses its alertness to its obligations; and there is no doubt of its ability to do the work effectively when the sinews are supplied.

In our large cities, where bank-ruptcies have thrived like the bay tree, where stealing has been going on with impunity, where no concerted action has been taken to punish offenders, the knowledge of our preparation and our determination to get the offender if there is any legitimate way to do it, will check these tendencies and have a strong moral effect on the business communities.

At this stage of the situation, before our plans are fully made, before our agencies for the investigation of commercial crime are fully established, it is a remarkable testimony that the possibility of securing an adequate fund for the work is already being reckoned with in the business underworld, and taken account of by the criminal master minds who have shaped the more notorious of the business burglaries. We can not but regard with intense gratification the fulfillment of our expectations through this great fund. In designating the department as one of "Credit Justice" there is a significance and an appositeness in the selection of the title that will hang as the sword of Damocles over the head of potential offenders.

A New Tool for the Credit Kit

BANK CREDIT—PRINCIPLES AND OPERATING PROCEDURE. Glenn G. Munn. McGraw-Hill Book Co., Inc., N. Y. 1925. 284 pp. \$3.

When the publishers of this emphatically worth-while book announced it as "a statement of the methods applied by the banks employing the most scientific methods of credit measurement," they very badly understated their case. In the opinion of the present reviewer, at least, it is one of the most significant contributions made to the literature of credit-science in the last decade.

It will be unfortunate indeed, if the limited title of this book tends to restrict its use among credit men generally,—those who are connected with manufacturing, wholesale, jobbing and even retail enterprises. At least 90 per cent of the work may be read with profit by any credit man, and for bank credit men it will prove indispensable.

Incidentally, it is worth noting that one of the largest and most conservative firms of public accountants in the United States has gone on record in its monthly bulletin, issued for its staff and clientele, to the effect that "the influence of a book of this character should reach far beyond the field it was designed to reach." If, the reviewer asks, accountants would serve clients who have occasion to offer financial statements to banks for credit purposes, what could be more logical than to find out what kind of information is required? Further, the reviewer says, if accountants understand thoroughly the reason on the part of the banks for desiring the data, what use is made of the statements, and incidentally something about the mechanics of bank credit departments, such information cannot but contribute to more useful service.

What is credit? Many an experienced credit man has hesitated, stammered, and felt his tongue cleave to the roof of his mouth when J. H. Tregoe, dean of all quiz-masters, has catapulted that question at him in a credit convention or conference. Mr. Munn has rounded up in his first chapter the best collection on record of definitions of credit,—some thirty of them, representing variously the point of view of the lender, the borrower, and the economic and legal aspects of the problem. As a matter of fact, the first chapter alone, with its definitions, its classifications and its admirable "Outline of Credit" on page 19, is worth many times the modest sum the publishers charge for the volume.

By this time the reader may have gathered some slight hint that the reviewer is enthusiastic about this book. The corn is duly acknowledged. What man interested in credits from any point of view whatever does not want to know how a good credit risk may be distinguished from a bad one; how to determine the amount of credit which it is safe to place at an applicant's disposal; what are the most profitable ways of lending credit; what are the best sources of credit information; what are the best methods of credit investigation; when and how credit information should be interchanged?

The word "unique" is not too strong to apply to certain sections of the work,—notably the chapter on "The Work of the Credit Investigator," the chapter on "Estimated Future Balance Sheets" and that on "Ethics Involved in Credit Interchange."

There is but one fly in the ointment, and that a very small one. The material on "Contingent Liabilities," reprinted from

the CREDIT MONTHLY, should never have been concealed in the small type of an appendix. It deserves a chapter by itself. If outside evidence on this point is required, it will be found in the review of the accounting firm referred to above, which refers to this contribution of Messrs. M. H. Howell of the Chase National Bank and J. L. Morris of the Federal Reserve Bank as "one of the fullest discussions of the subject available."

Twenty-Nine Years Ago

(Continued from page 15)

presented me with a diamond ring which I have worn every day since with pride. Fred Standart, of Detroit, later President of the Association, made the presentation speech.

In my surprise and confusion, in making response, I said that "I would use my best efforts to see to it that there was a deficit at the close of the year." I haven't any idea what else I said!

At the Chicago Convention I sat next to Uncle Joe Cannon who was the principal speaker at the banquet. It was a very hot and stuffy evening. I don't recall a word of his speech, which was a very fine one; but I do remember that several times before he arose to speak he took the ice from his goblet of water and rubbed it on the back of his neck.

The best convention I attended was held at Salt Lake City. I think I read a report of some kind. I stopped off on my way home from San Francisco, where I attended the World's Fair and the National Wholesale Grocers' Annual Convention, which I attended almost solely to present an argument against going on record in favor of repealing the National Bankruptcy Law.

Looking back over the past twenty-nine years since the first convention, I do so with mingled feelings of pleasure and regret. Pleasure in that so much of good has been accomplished and that so many of my friends are left to greet me occasionally in person or by letter and regret that so many have fallen by the wayside.

Rest 3 Weeks Instead of 2

(Continued from page 17)

piness is the next important consideration. Probably the most necessary asset for contentment is to be in the right environment.

If one interviews the great army of failures he will find that multitudes have failed because they never got into a stimulating, encouraging environment; because their ambition was never aroused; or because they were not strong enough to rally under depressing, discouraging or vicious surroundings. Most of the people we find in prisons and poorhouses are pitiable examples of the influence of an environment which appealed to the worst instead of to the best in them.

It is not always well to choose the occupation which promises the most money, notoriety or fame but rather to choose that one which will bring out the man in you and which will develop your greatest strength and personal nobility. Manhood is greater than Wealth; more wonderful than Fame. Personal Nobility is greater than any calling or any reward that it can bring.

If we avoid unnecessary responsibilities, such as too high rents, too heavily

mortgaged homes, unnecessary luxuries, if we seek congenial friends and go to work every day with a clear mind we are reasonably certain to get our share of Happiness out of life.

Given good health, a happy environment and a contented mind there is scarcely a limit to our Success. Some qualities which portend success are developed by reverses, responsibility and by the practice of loyalty.

Let us look for a few examples from American records. Do you realize that Abraham Lincoln encountered failures at almost every stage of his career? At the age of 23 he was defeated as candidate for the Illinois Legislature; at 30 he filed to gain the place he sought, that of Speaker of the House of Representatives of Illinois; at 32 he failed again in trying for the same office. Two years later he missed out in trying for Congress, and at 35 he failed of election for Presidential elector. At 40 he tried in vain to become Commissioner at the General Land Office; at 43 he again was defeated as candidate for Presidential elector; at 46 he was defeated in a try for the Senate; at 47 he was defeated in efforts to be nominated for the Vice-presidency; and at 49 he failed again to get into the United States Senate. The rest of his life-story we know.

It is pleasant to think of the exultation in Lincoln's heart when victories began to come his way. He could enjoy the sweets of victory in the fullest measure because he had so frequently tasted defeat. The man is poor indeed who has never tasted adversity. Steel is tempered by hammer blows; so often are men.

There are many ways to gain the confidence of others and to achieve that other thing that we all desire—*real responsibility*. As a class, credit men have that great satisfaction which makes life really a success; they are trusted with great responsibilities, because they have gained confidence.

Any one of us may go forward into middle age without realizing what dynamic forces lie waiting within us. Then comes a great exigency, some loss or some sorrow, whereupon that man meets the test. In six months he may become a different man and it will be responsibility that has made him. "To live without trial is to die but half a man." Giants are made in the stern school of necessity. We find our places in this world if we seek them; and we get our greatest happiness by accepting responsibility. Here is the first lesson for that beginner in business who wants to get the real joys of life.

It may not be easy to win the confidence of others so as to get chances at responsible posts, but there are some excellent methods that we all understand. Both happiness and the greater chances come to the fellow who is loyal. Be absolutely loyal to the firm you represent, and results will follow.

We get our responsibilities fast enough if we cling to our loyalties. As a nation we go on making the right sort of history because we have the trait I am discussing—that earnest devotion to duty so necessary for business success and for national happiness. We can be happy and be physically fit, but without that higher devotion we are only a high type of animal creature. The spirit of loyalty, driving a man into taking supreme responsibilities brings great rewards.

And we must make ourselves ready, physically and spiritually, for the tests we all shall meet.

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New Orleans Conditions Improving, Says Grundmann

IN successful credit association activities there is always an "old guard" whose faithful and vigorous efforts are influential in carrying forward the association's policies, local and national, and who serve as an inspiration and as pace-setter for the other workers.



GEORGE GRUNDMANN

Such a man is George Grundmann, who has been associated since 1892 with the Albert Mackie Co., New Orleans. Born in New Orleans in 1876, Mr. Grundmann received a high school education. He rose from office boy to department manager of the Mackie Company and about five years ago was promoted to secretary-treasurer and general credit manager. In this time also the company has risen from a modest business to one of the largest and most influential in the South.

He is also director of T. J. Kelly, Inc., wholesale grocers, and director of Arctic Pure Ice Co. He has found time to devote to numerous civic, social, religious and commercial enterprises. He is an officer of the New Orleans Park Commission.

He has been twice elected a director of the New Orleans Association of Com-

merce, and has served as chairman of the Wholesale Merchants' Bureau.

In the New Orleans Association of Credit Men he has served as chairman of the Adjustment Bureau Committee and Forum Committee. He has just been selected as chairman of the Groceries, Provisions and Allied Trade Group Conference of the 1925 Washington N. A. C. M. Convention.

He is district chairman of the Membership Committee of the Foreign Credit Interchange Bureau and he has served very creditably in this capacity.

Asked by the CREDIT MONTHLY for a survey of the foreign trade situation from the New Orleans viewpoint, Mr. Grundmann writes:

Foreign Trade

"New Orleans is excellently situated with respect to Mexican and Central American and West Indies trade. The city, including the inner harbor, has fifty-two miles of deep water front. It has over five miles of wharves, with 3½ million square feet of steel sheds. There are ninety steamship lines conducting import and export trade. There is a large ship chandlery and supply houses, excellent dry dock facilities and unlimited fuel and water supplies.

"With sailings weekly and often bi-weekly to Mexico, Central America, Panama, Cuba, Porto Rico, South America and the West Coast, nearly five million short tons were exported in 1924.

Foreign trade was seriously hampered for a time during the past year on account of an insufficient rainfall and political disturbances, but conditions are rapidly improving and opportunities for foreign trade development at the present time are looming up large.

"The Latin-American countries are looking to advanced standards of living. This attitude will serve as a boom to American export business.

"The Foreign Credit Interchange Bureau of the National Association of Credit Men is playing a valuable part in fostering the expansion of trade through the agency of their concise and comprehensive reports on merchants and the various incidental services they render."

**Great American
Insurance Company
New York
INCORPORATED - 1872**

CAPITAL
\$12,500,000
LOSSES PAID POLICY HOLDERS
\$164,897,335.64

FIRE, MARINE AND KINDRED INSURANCE

HOME OFFICE, ONE LIBERTY STREET
NEW YORK CITY

AGENCIES THROUGHOUT THE UNITED STATES AND CANADA

Will You Consider

CONTROLLED-KEY

Comptometer

REG. TRADE MARK

For Speed with Accuracy on
All Adding and Calculating



BECAUSE of the human element in the operation of all calculating machines, dependable First-time accuracy is not practical with any of them.

The nearest approach to perfect First-time accuracy is found in the Comptometer which, because of its safeguards — the "Controlled-key" and "Clear, register" signals — affords automatic protection against operating errors, *even at high speed*.

**99 $\frac{2}{5}$ % First Time
Accuracy**

A recent check-up made by Marshall Field & Co. in the Wholesale Billing Department showed 99 2/5% accuracy on 189,464 First-time Comptometer extensions.

Proof is essential to security against error in any calculation, however made. Comptometer proof, in this case, insured 100% accuracy in every bill that went out.

FELT & TARRANT MFG. CO., 1717 NO. PAULINA ST., CHICAGO

Will You Compromise

Or Will You Force Bankruptcy?

By Horace M. Eaton

The William Carter Co., Boston.

THREE seems to be some question among credit men as to the arguments for and against a no-compromise policy. There are a good many points in favor of each side of the question.

It is a generally accepted fact that compromise offers yield a better dividend to the creditor than would be the case if the debtor was put into bankruptcy. Obviously this is due to the fact that bankruptcy proceedings are very expensive and the

assets are accordingly diminished. Besides this there are a good many so-called lawyers who would be very happy indeed to see the credit men follow a no-compromise policy, because these bankruptcy proceedings are a source of continual revenue; and who could blame them for sponsoring a movement that would be beneficial to them.

In many cases I feel that bankruptcy proceedings are perfectly in order and should be carried through, but on the



Housing the Bell System

MORE than 1900 buildings—many more than the structures in New York City officially designated office buildings—are owned by the Bell System—the A.T. & T. and Associated Companies.

Together with the land on which they stand, they represent an investment of \$221,000,000. They furnish space for switchboards, other telephone facilities, and a numerous personnel. To investors they are visible evidence of the vast physical facilities required for the country's nation-wide telephone system.

The property of the Bell System, whose book cost on Dec. 31, 1924 was \$2,266,923,466, and a service co-extensive with the nation, underlie Bell System securities.

The dividend rate of the stock of the A. T. & T., parent company of the Bell System, is 9%. This investment stock can be bought in the open market to yield a good return. Write for booklet, "Some Financial Facts."



BELL TELEPHONE SECURITIES CO. Inc.

D.F. Houston, President
195 Broadway NEW YORK

"The People's Messenger"



other hand there are so many favorable points to be made in favor of compromise settlements that we feel something should be said concerning them.

The Stigma of Bankruptcy

Why should an honest merchant have this stigma of bankruptcy attached to his name if he can be helped out of his troubles and given a fresh start by giving him a helping hand.

Of course, before a compromise is accepted, it is taken for granted that the credit man will consider very seriously all the facts in the case, because it would only be encouraging compromises if every Tom, Dick, and Harry could get one. If, however, the debtor appears to have a clean record and his financial troubles carry no fraudulent taint, why should he be forced into bankruptcy with all its expenses and delays when a compromise settlement handled by an efficient party or a credit adjustment bureau would effect a larger dividend and would not place the debtor under such a heavy handicap if he re-enters business at some future date?

In compromise settlements I have always found that our dividends have been considerably more than we could expect in bankruptcy proceedings, more's the pity! We have in many cases felt that there was some good reason back of the request that we accept less than 100 cents on the dollar. However, when an individual discharges his obligations in this manner you may be sure that his account is never re-opened unless there is an absolutely sound basis for the extension of credit.

We have customers on our books who have in the past offered compromises which we accepted, after assuring ourselves that the proposition which they put forward was honest and legitimate. Some of these customers have after a while re-entered business and are proving themselves profitable accounts. If we had followed out a no-compromise settlement, and in some cases put them into bankruptcy, is it reasonable to expect that they would have ever bought from us again after they had eventually built up a successful business?

Now some credit men might say, "Well, if you want some of your accounts to be of that class you are welcome to them." Although something may be said in favor of that attitude, nevertheless because a man gets into financial trouble is no argument that he will not have profited by his mistake. In any events it is up to the credit man to see that he does not get bitten the second time. He will have to use considerably more care in the handling of that account, but the profit is worth it.

The Debtor's Point of View

There is another viewpoint which is reasonably well taken by the merchants themselves. They say, "Why should we have to pay 100 cents for our merchandise when our competitor can effect a compromise and pay less than 100 cents on the dollar, and then set up business again with this same stock and undersell us. In the writer's opinion this is rather offset by the fact that if the debtor succeeds in putting through a compromise settlement it is only natural that he will keep his goods marked up just as high as formerly because anything above the amount for which he settles will be clear velvet for him, and will not create any depressing influence on business with his other competitors. On the other hand bankruptcy stock is invariably sold at a big reduction, and even though it is offered

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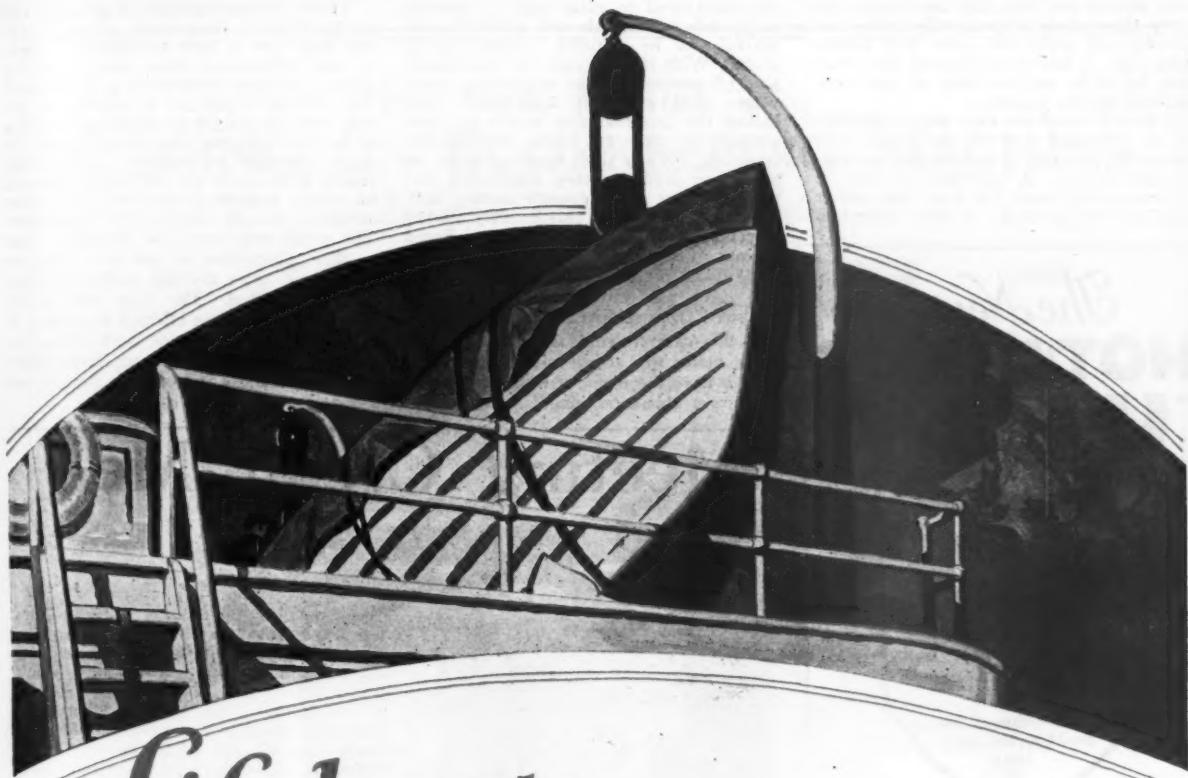
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Lifeboats — are still carried even on the largest ships

YOUR modern warehouse or factory is equipped with sprinklers and fire doors. Especially hazardous sections of the plant are cut off from the others. Steel and concrete construction has replaced antiquated inflammable materials.

But in spite of the best in Fire Prevention, carefully protected properties do burn. Protective devices, sometimes refuse to function. Ex-

posure from adjacent properties often spells disaster. Then it is that insurance bears the burden and the value of adequate insurance protection is demonstrated.

Insurance and Fire Prevention are complementary. Insurance begins where Fire Prevention leaves off. The unsinkable ship has been approximated but even the best vessels still carry lifeboats.

AMERICAN EAGLE
The CONTINENTAL
FIRE INSURANCE COMPANIES
Eighty Maiden Lane, New York, N.Y.

FARMERS of IOWA
FIDELITY-PHENIX

for sale at less than the usual price this very same stock in practically every case consists of odds and ends and broken lots, etc. I therefore contend that there is a lot to be said in favor of the compromise in this regard.

I have in mind one case which, although it is somewhat out of the usual, will serve the purpose in testing the no-compromise policy. A customer of ours in Minnesota has been for some time rather hard pressed for cash. A short while ago

he endeavored to raise cash by running a big sale. This sale was evidently successful, for he virtually cleaned out his stock. With the proceeds he immediately paid off interest that he was owing, taxes, wages, rent, etc., but apparently overlooked the fact that they might not have enough to pay off their merchandise creditors. When they came to settle up with their creditors they discovered that they did not have enough money left. Finding themselves in this fix they offered 75 cents on the dollar. This was offered not out of the funds of the business, because it did not have this money to offer. The offer was effected through money borrowed from relatives.

In this case it would seem to be very much better to accept the compromise than to have the firm put into bankruptcy and to get almost nothing.

There is unfortunately, a growing evil in the shape of compromise offers. Where the fault lies is hard to place, but there is one influence at least that is making it easy for these settlements to be effected. The natural desire of a creditor to accept what he can get by compromise seems to be more alluring than the dividend obtained through bankruptcy; and, feeling that is better to get this larger amount, he often, without going into the matter carefully enough, accepts the proposition. The credit men owe it to themselves and to their profession to see to it that no compromise goes through unless it is absolutely justified. The ease with which these settlements are effected nowadays is certainly leaving a wide open door for crooked merchants to get out from under their indebtedness and enables them to set up again with a nice little stock.

The New HOTCHKISS "UNIT"



THIS new paper fastener uses either No. 1 or No. 2 genuine Hotchkiss Staples. Can be taken apart by your stationer for replacement of any parts if necessary. Has all standard Hotchkiss features and is absolutely non-clogging. A fit companion to the famous Hotchkiss model Number 1.

THE HOTCHKISS
SALES CO.

Norwalk

Conn.

Meeting Credit Men

By E. L. Harris

Swift & Co., Boston



E. L. HARRIS

WHEN calling recently with J. H. W. Ross, Manager of the Membership Department of the National Association of Credit Men, on a prospective member, we were asked the usual question as to

how membership would benefit him. Our reply covered various direct and indirect advantages including what acquaintance with fellow credit men would accomplish.

This reminded him of an incident which happened while attending a dinner of a traffic organization where he met traffic managers of mercantile houses and representatives of steamship, railroad and express companies. Among those present was the agent of a company against which he had a claim pressed unsuccessfully.

After a few minutes' conversation a promise was given to adjust it promptly and in a few days a check of \$38 was received in full settlement. With the recollection of a casual meeting at an association dinner, which resulted in a return greater than the entire year's dues he readily signed our membership card.

Members of Credit Men's organizations who attend their association meetings and take every opportunity to meet credit men get real benefits from their memberships. After a member is secured, make it your business to see that he attends the meetings in order to obtain the benefits that are available to him.

Help Wanted

SALES EXECUTIVE WITH CREDIT KNOWLEDGE—Unusual opportunity for a man of proper qualities in field credit service to wholesale, manufacturing, banking and jobbing institutions.

Young man, preferably single, between 25 and 35, with ability to follow directions exactly. Must be quick to understand, also to initiate and put into operation his own ideas. Must have energy, ambition and enthusiasm, good education, training in business principles and practice with particular attention to salesmanship, office management and systematizing. Nominal knowledge of the fundamentals of credit management essential. Experience sufficient to have gained a sound knowledge of business. He must want success badly enough to work hard for it.

The right man will be started with a salary probably less than he is worth, which will be increased however, as the results justify. Real opportunities for rapid advancement.

If you believe you are the man for this position give full details. State exactly how well you can qualify in each of the specifications given above. Give a complete history of your business experience. The starting salary and reason you left each position. Your letter will be held in confidence. Address Advertisement 1057.

The huge manufacturing activities of the country would be carried on in dire peril were it not for the safeguard of insurance.

Raw materials, plant equipment, buildings—even the profits of the business are protected against menacing hazards.

Enterprises, which a century ago would have meant taking impossible chances, are now undertaken and carried out with safety and profit. Insurance has made possible our manufacturing supremacy.

Springfield Fire & Marine Insurance Co.

Head Office:
Springfield, Mass.

Western Dept.
Chicago

Pacific Dept.
San Francisco

THE NEW MODEL 23
REMINGTON BOOKKEEPING MACHINE
Equipped with Twin Cylinder



THIS machine provides the maximum of EFFICIENCY, SPEED and ACCURACY in your bookkeeping department. It has been designed to meet the particular requirements of the credit department, and combines every feature essential to successful mechanical bookkeeping. An ITEMIZED CUSTOMER'S STATEMENT,

in duplicate, and a CONDENSED LEDGER are written, and mechanically balanced in one operation. All totals of debits and credits are automatically accumulated, thus furnishing an immediate and positive proof of the accuracy of the work, without any effort on the part of the operator.

A few of the outstanding points of Remington leadership in the bookkeeping machine field are: simplicity of operation, ease of operation, unequaled speed of operation, perfect adaptability, surpassing durability, absolute completeness.

This machine is only one of the many Remington models designed and built to meet every accounting requirement. Whatever your problem may be, there is a Remington Bookkeeping Machine that will fit it like a glove.

A practical demonstration of this machine, as applied to your own individual requirements, is yours for the asking, without any obligation on your part. This demonstration will convince you of its unrivaled efficiency for this class of work.

REMINGTON TYPEWRITER COMPANY

374 Broadway, New York

Branches Everywhere



"It is Customary

to insist upon
adequate **Fire
Insurance** where
large credits are
extended. ¶ There
are circumstances
and localities
in which
The Credit Man
is justified in
requiring
assurance that his
customer carries

Windstorm Hail Explosion *and even* Earthquake Insurance"

The Etna
Insurance Company
Agent
can furnish them all



RALPH B. IVES, President

Foam from the Three C's

A Demon That Makes Men Lie and Women Weep

THERE is an insidious social evil heretofore completely overlooked by the busy, lawmaking reformers. This menace, more terrible for its innocent exterior, is golf.

Economists and statisticians have neglected entirely to compile any figures as to the cost to the country of the seemingly simple little game of golf. As with an automobile, with golf it isn't the initial cost, it's the upkeep. Many thousand deserving cows have been deprived of nature's cafeterias by the laying out of fairways, greens and cussword incubators (otherwise known as sand-traps); but this is a mere fraction of the cost. Unofficial figures show that on every clear Wednesday afternoon, hundreds of thousands of business men whose time can be roughly computed at \$80 per hole, gather on the golf courses of the country and work themselves into a fit of passion over nothing more than a little white ball and a bag full of clubs. Incidentally, every Wednesday night, weather permitting, thousands of innocent housewives leave the dinner table weeping and thousands of frightened children take refuge behind closet doors until papa's wrath is spent.

So much for the economic side; now for the moral side of the question: There is no such thing as an honest golfer. Men who pride themselves upon the fact that their word is as good as their bond, stand on the green after digging up the fairway as if in preparation for a planting of spring corn, and calmly announce a seven. When a man says he had a good lie in the rough, you can believe him! If George Washington had lived in the days of golf he might have overlooked a few whiffs himself. In licker—or rather, locker-room conversation, who has ever heard a

club member admit that he has ever shot a ninety? The pompous little man with bow legs and tassels on his hose grumbles that he blew on the last nine and only got an eighty-nine for the round. Had we followed him out to the first tee, however, we should have seen this same little man tee up, twist himself up like a Japanese acrobat, take a mighty swing and when the smoke had cleared away the ball would be lying within 345 yards of the green, the length of the hole being 350 yards.

Before the Eighteenth Amendment gave us one form of amusement upon which there was no amusement tax, strong drink was reputed as being able to reduce a civilized man to an uncivilized brute quicker than any agent within human knowledge. Compared with golf, however, alcohol would lose the match on the tenth green. Two sliced drives and a dubbed approach can in 30 seconds turn a model citizen into a maniac. On the other hand, the man who breaks a hundred for the first time will tip his caddy \$10, blow the whole club to a round and in his delirium of joy do things that barrels of the stuff that cheers couldn't accomplish. And we peace-loving and law-abiding citizens, in the name of sport are nursing this viper in our bosoms.

Reformers, your path of duty is clear! You've taken the loons out of saloons, you've taken the sin out of the cinema, and now it behooves you to gird up your loins and meet the monster golf on his own home course. Your purpose accomplished, no more shall deserted wives weep in solitude and abandoned tots cry for fathers they barely know by sight. This great economic loss will be overcome, profanity will be expunged from the lips of men, and truth will be paramount when your battle with the demon golf is crowned with victory, and then, ah! then this wonderful land of ours will be—a
——of a place to live in. B. B. T.

Globe & Rutgers Fire Insurance Co.

HOME OFFICE: 111 William St., New York

Issues policies against

Fire Marine Tornado Earthquake Flood Hail Explosion
Transportation Hazards Riot and Civil Commotion

Also writes AUTOMOBILE INSURANCE against
FIRE, THEFT, COLLISION, Etc.

JANUARY 1st, 1925

Assets as of January 1st, 1924	- - -	\$60,654,703.06
Capital	- - -	3,500,000.00
Surplus to Policyholders	- - -	23,310,623.92
All other Liabilities	- - -	37,344,079.14

E. C. Jameson, President	J. D. Lester, Vice-President
Lyman Cande, Vice-President	W. L. Lindsay, Secretary
W. H. Paulison, Vice-President	A. H. Witthohn, Secretary
J. H. Mulvehill, Vice-Pres. & Secy.	G. C. Owens, Ass't. Secretary
M. J. Volkman, Local Secretary	



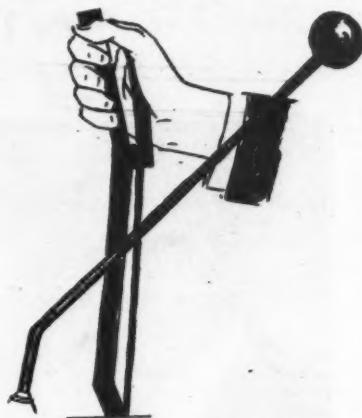
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Why that emergency brake?

The foot brake on any modern automobile is capable of locking the wheels at almost any speed. Yet every car is equipped with an emergency brake. Why?

Because in spite of the best designing in the world, it is conceivable that some day the foot brake won't work. This is equally true of fire prevention devices. No matter how carefully they may be planned, some slight misuse may prevent their efficient operation when a fire breaks out.

The Hartford Fire Insurance Company offers to its policy holders an "emergency brake".

A complete survey of your plant by the Hartford's corps of Fire Prevention Engineers will probably uncover a number of little defects in your fire fighting equipment, which you will wish to remedy immediately. For the most part, these defects are caused by some one's carelessness and their correction may involve no greater change than recharging a fire extinguisher, disentangling fire hose, removing an obstruction to a fire door, or any one or more of a number of simple things, the neglect of which may contribute to the spread of fire.

The Hartford Agent is the best equipped man we could find in your community to guide you in matters of insurance. Ask him to tell you how you can get the benefit of this free inspection, or write direct to

HARTFORD FIRE INSURANCE CO.
HARTFORD, CONN.



The Hartford Fire Insurance Company and the Hartford Accident and Indemnity Company write practically every form of insurance except life



Credit Service That Satisfies

Ask Mr. Mark
He Knows



BENJAMIN LAMP COMPANY
CHICAGO

January 23, 1925.

Mr. W. A. Ball,
United States Fidelity
and Guaranty Company
231 S. LaSalle Street
Chicago, Illinois

Dear Sir:

We take great pleasure in advising you of the wonderful results we have obtained through your service.

Last month we sent first letters to accounts in the amount of \$1,470.00 which brought in close to \$1,000.00 and draft notices brought in close to \$300.00, all within two (2) weeks.

Assuring you that your service has been a great help to us in collecting our past due accounts, we beg to remain

Very truly yours,

BENJAMIN LAMP COMPANY,
C. MARK, President

CM:LK



The Credit Man who uses
our service Never Worries

Send for Booklet

United States Fidelity
and Guaranty Company

Department Guaranteed Attorneys

HOME OFFICE

Baltimore, Maryland

Credit Men Hard-Boiled?

By T. K. Cree

Alling & Cory Co., Pittsburgh, Pa.



T. K. CREE

OF course, there are many times when the credit manager must assume a positive stand and refuse to grant further accommodations. There is no other department of business, however, which gives more sympathetic consideration to the problems of the customer.

We still hear the assertion that all credit managers are unsympathetic, austere, hard-boiled. In the present development of the credit department this assertion is, I contend, obsolete when applied to most modern credit executives.

If an unprejudiced observer will make a survey of the way a first-class manufacturing or wholesale house does business, he will find that the credit manager is likely to be in closer touch with the actual trade condition than any other executive.

The credit manager keeps in mind at all times that his work is not merely "to get the money," but to build up good will among customers and prospective customers, to develop small customers into big

ones, and to give as wise counsel as he is able to give to the merchant debtor who is in temporary difficulties.

There is little of the table-pounder and self-advertiser among credit men. Indeed some of them may not be quite as vociferous as they might be if their main object was self-advancement. It is my opinion, however, that as a rule politeness, urbanity and consideration are the predominating qualities and that the vast majority of letters or conversations from Credit Departments are generous and courteous!

Old Debtor's Prison

F. G. HATHAWAY, Director of the Thirtieth Annual Convention of the National Association of Credit Men at Washington this month, sends the CREDIT MONTHLY the picture below of an old prison built in 1748 and still standing in Williamsburg, Virginia. In this prison, debtors, unable or unwilling to pay their debts, were confined.



National Liberty Insurance Company

OF AMERICA

Head Office: 709 Sixth Avenue, New York

Western Department: 709 Sixth Ave., N. Y.

66th ANNUAL STATEMENT

JANUARY 1st, 1925

ASSETS	LIABILITIES
Bonds and Stocks ... \$10,313,830.00	Capital \$ 1,500,000.00
Loans on Bond and Mortgage 1,218,500.00	Premium Reserve ... 7,398,203.85
Cash 970,994.94	Reserve for Losses .. 939,359.83
Interest accrued 101,428.72	Reserve for Taxes and all other Liabilities 348,000.00
Premiums in course of collection 1,584,473.27	Net Surplus 4,003,663.25
	\$14,189,226.93
	\$14,189,226.93

Surplus to Policyholders January 1st, 1925, \$5,503,663.25
Surplus to Policyholders January 1st, 1924, 4,502,893.19

Increase in Net Surplus (after payment of dividends) . \$1,000,770.06

Losses Paid since organization over \$62,000,000

FIRE, MARINE, AUTOMOBILE, SPRINKLER, LEAKAGE, WINDSTORM, TORNADO, RIOT AND EXPLOSION, TOURIST, BAGGAGE, USE AND OCCUPANCY, RENT AND RENTAL VALUE.

Moral Hazard— A Common Foe!

GLENS FALLS Insurance Company and the National Association of Credit Men are fighting a common menace—that of moral hazard—represented by the credit crook on the one hand and the incendiary on the other.

In each of these forms this menace costs the country millions of dollars each year.

Businesses and individuals suffer because of moral hazard; its cost is added to the price of everything that they buy.

Complete annihilation of this universal enemy can be accomplished only through a comprehensive and systematic campaign of joint action. To this end we pledge our co-operation.

“OLD and TRIED”

The logo for Glens Falls Insurance Company, featuring the words "Glens" and "Falls" in a stylized, flowing script font.

FOUNDED in 1849

INSURANCE COMPANY
GLENS FALLS, N. Y.

Duluth Campaign

By John D. Patterson

Marshall-Wells Co., Duluth

PRIOR to the time the depression hit the Northwest, The Duluth-Superior Association enjoyed a membership of 110 but the period of readjustment through which we have passed has taken its toll of the Credit Men's Associations in many sections, as in other Commercial and civic organizations,—the Duluth-Superior Credit Men's Association like the rest.

When we took inventory January 1, 1925, we found that we had 97 members left.

As Chairman of our Membership Committee, I called the Committee of six men into conference and set aside two days to work on membership. Net result 4 members. The results hardly seemed to justify the effort put into the work.

Apparently we did not have the right slant on the proposition. The Chairman called a conference of "The Old Guard" of the Association—past presidents and Officers—men like Harvey Sedgwick, president 1916, Sam Fisher, president 1918, Mike Sullivan, president 1921, Jack Dolan, president 1925, Clark Dick, vice-president 1925, and it was decided to select a membership team of 6 men and go down to bed rock on the proposition.

These men have been in the association—some of them from the time the roll was called at Toledo in 1896, they knew the value of membership, and what the Association has done for the business world and can sell membership just as a salesman sells his goods. We loaded this flying squadron into an auto and started out. Result of the first afternoon's work: Nine new members! This performance was duplicated later.

The happy result was that our membership stood at 125 on May 1, and at this writing stand at 141. When the Duluth-Superior Association arrives in Washington in June, we will, I hope, have an even better record to report!

GROUP INSURANCE: What Are You Doing About It?

Over 8,000 employers of the United States are carrying Group Insurance on the lives of 2,225,000 employees.

This insurance covers whole groups of employees under a single contract without medical examination, in amounts varying from \$500 to \$5,000 per employee. Includes total permanent disability without extra charge.

GROUP INSURANCE for factories, stores and business concerns of all kinds is rapidly growing in popularity. It has proved of value to those who have adopted it and others will take it up as soon as they learn of its usefulness.

Our book on "GROUP LIFE INSURANCE" will gladly be mailed you without obligation. It will repay your careful reading. Because of our liberal contracts, sixty years' experience, unquestioned security, and carefully trained personnel, the John Hancock Mutual Life Insurance Company of Boston can efficiently handle your Group Insurance.

John Hancock
LIFE INSURANCE COMPANY
of BOSTON, MASSACHUSETTS

Born—Two Local Associations



W. C. METZGAR

W. C. Metzgar, of the American Sales Book Company, Ltd., was elected President.

It is intended that the membership in this Local Association will not be confined to Elmira, but that it will take in the Credit Men of Corning, Hornell, Waverly, Oswego, Watkins, Ithaca and nearby towns.

It is the hope of the National Association that this Unit will grow and prosper and be a strong link in the Credit structure.

"Trenton Makes—the World Takes"



ON Monday evening, April 20th, a group of manufacturers in Trenton, N. J., met at the Stacy-Trent Hotel and organized the Trenton Association of Credit Men, to be affiliated with the National Association of Credit Men, with a nucleus of 22 Charter Members. This city is a growing industrial center and is noted for its production of domestic and sanitary pottery, also for the manufacture of rubber goods and automobile tires. Probably no city of its size in the East has such a large number of important manufacturing concerns.

Travelers crossing the Delaware on the Pennsylvania Railroad are impressed by a great electric sign at night, bearing the words "Trenton Makes—the World Takes." Trenton not only supplies this country with many products of its manufacture but goods made in Trenton are shipped to all parts of the known world.

This new association will be guided through its first year of existence by President Lewis H. Lawton of the Jonathan Bartley Crucible Company. The officers and directors of the National Association of Credit Men wish that the Trenton Membership will rapidly increase and that this unit will be a very important one and of great value to the wholesalers, manufacturers and banks in Trenton.

Eta Didn't Understand Credit

(Continued from page 15)

rent was somewhat high, etc., signed the lease. Next came the resignation from the Globe Store. Then the purchase and installation of fixtures. What sleepless nights and headaches were already Eta's portion from the countless details now thrust upon her,—details with which she was entirely unable, through inexperience, to properly cope. How the \$4000 was dwindling! It was terrible!

The trip to New York to buy the stock. There awaited her a rude shock in the show-room of one house,—whose salesman had been bountiful in promises,—when she was reminded that she herself had insisted on the arrangements which confined their line to the Globe Store in Cookton. They were very sorry, but they could not violate their agreement. The salesman had no authority to break this arrangement. They were sorry over and over again,—but Eta did not get the line. Then the call on Mr. Dumbel, who almost fainted when he was told the great news by Eta, that she had taken his advice and was there to buy for her own establishment.

"Yes, yes! Um, um, of course!" he stammered. "Er—would you mind talking to our credit manager for a minute? Of course, we'll open your account, if it's only for old time's sake, but just have a little chat with him first."

She was astounded by these strange and unusual antics on the part of her old friends, who talked of such ogres as credit men and statements, and asked her impertinently how much money she had,—as if that was any of their business! She finally made some purchases and went back to Cookton a dispirited, disillusioned and heart-sick woman.

In order not to harrow the reader, let us refrain from going into the exact details of the nightmare existence that Eta led during her business career under her own name. Some of the revelations which came to her astonished her greatly. She found that advertising space in newspapers was very expensive and had to be paid for; that people who sold her merchandise wanted their money when it was due and after a while sent nasty lawyers to get it and threatened and bullied when she couldn't pay. Where were the nice little fairies who used to do all these things for her at the Globe Store? Another thing which was maddening to her—the Globe Store kept right on doing business as before and did not seem to be worrying a bit about Eta's business around the corner.

The End of the Venture

Then one day came the meanest, nastiest imp of them all; he was called Mr. Receiver and, to Eta's great horror, he told her that the store no longer belonged to her and that her one best bet was to go out and look for a job.

Eta did not cry that night; she had cried herself dry during the year she had tried to run the store. Now for the first time since the day she had signed the lease, she felt easy in her mind. With her experience as a buyer and the excellent reference from the Globe Store she had no great trouble in landing a good buyership position.

She is sadder and a wiser woman, and she started again to pile up a savings account. She will study the problem more carefully before she goes into business for herself again.

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Six Big Divisions of L. B. Service to Business

1. Card Record Systems

Vertical and visible systems for every card record requirement.

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Card and Filing cabinets, card record desks and record safes.

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Nothing but live facts in the L. B. Speedac ~ you can add new cards or remove dead ones in 10 seconds

THERE'S many a desperate race between your active card records and their visible file holder.

When new cards must be added to the file the race begins. The question is—can the cards be inserted rapidly enough into the file to keep it abreast of your needs—or will it lag days, even weeks, behind? To remove inactive cards is another race. Unless they can be speedily withdrawn your active card records may, in one day, become clogged with "dead timber".

Those conditions definitely end the day you install the L. B. Speedac—the perfected visible file.

The Nurni of visible files

Now any business can have visible records that are all alive and easily kept right up to scratch. In ten seconds, you can add new cards or remove inactive ones. In less

than a minute you can move cards and carriers from one drawer to another. In these operations the L. B. Speedac sets entirely new standards of speed in visible record filing.

Especially on sales records, credit records, signature lists, card ledgers and other active lists—where many names must be added or dropped daily—this greater elasticity of the L. B. Speedac is a prime factor in reducing file operating expense and promoting card record efficiency.

Send for this booklet

In an interesting booklet, "New eyes for business", the 8 major superiorities of the L. B. Speedac are described in detail. You will grasp at once the principle of the Speedac and why it has such a tonic effect on card records.

Write for your copy today or see an actual demonstration at the nearest of our 54 salesrooms.

Home Office: 230 Albany St., Cambridge, Mass. Salesrooms in 54 principal cities of the United States, France, England. Factories: Cambridge, New York, Chicago, Illion, N. Y., New Orleans, London, Eng.

Library Bureau

Founded 1876

Speedac Visible File for Every Business

Credit in the Northwest

(Continued from page 13)

involve him in numerous complications; and although he might come by it unknowingly the Indians would lose faith in his integrity and his days of fur trading would be numbered.

Those living far out keep in touch with the head men of the settlements and thus know what is going on at the trading post.

Any dog runner who passes is expected to stop and accept the hospitality of the house. He knows the men who are planning to come over the trail and those who have come in from other trails and this news is eagerly awaited

by the men far out.

Word travels fast in the far Northwest and the news of a fur swindle is soon known. Furtraders have their own Credit Protection organization, though it has no such dignified title, and an efficient one it is.

It sometimes happens that a man's dog team breaks through the ice and is lost. He is perhaps fifty miles from a cabin and without food. What does he do?

Borrowing from the "Cache"

If his snow shoes have been lost he is in a fix. If he knows the news of the post he can gamble on the chances of someone coming by and picking him up. If not, the only thing he can do is look

for a "cache." These "caches" play an important part in testing a man's honesty. They are deposits of food left every 25 miles along a trail, usually on a platform of four poles, out of reach of the wolves.

They are for just such an emergency and it is an unwritten law of the Northwest that a cache always contains food. Anyone is welcome to it, on the condition that he leave enough for one man, and that he replenish the stock at the first opportunity.

Immediately on getting back to a settlement he tells his story and if unable to return the food, a subscription is raised and the stock replenished. This, too, is a measure of self-protection. To ravage a "cache" and say nothing about it, is considered as bad a crime as fur stealing.

The settlers along the trail know who have passed and it is not difficult to locate the culprit in such a case.

Very often the Indians trap all winter and when the buying season starts come to the trading posts to enjoy life. Their enjoyment usually consists of imbibing freely of the forbidden liquor, this in Alaska, and then playing cards.

Very often is a man has had an unusually good season he will get around \$10,000 for his catch. This may seem like easy money, but it is not, when the great costs of living in that country are considered.

Indians are great gamblers and think nothing of losing all their money at one sitting. They live a free and happy life and money means little more than food to them.

If a trader is cleaned out at the gambling tables it is not difficult to be grubstaked for the next season. The fur buyer with whom he does business is always sure of getting a larger return for his money than has been agreed upon. In the old days the Hudson Bay Company refused to trade with a man who would not guarantee to give them first pick of his catch. This practice has been discontinued however, and everyone has an equal chance.

The Indians' name for credit is "jaw bone."

Beaver Meat on Credit

I well remember our meeting with "Indian Dick," a full blooded Siwash. We were about ten miles from his cabin and having rough going because of a snow storm which made it impossible for us to see more than 20 feet ahead.

Suddenly the dogs set up a barking and we knew someone was approaching. A moment later a dog team appeared followed by a driver who stopped on seeing us and came forward for the usual chat. (Had we allowed the dogs to get close together the trip might have ended disastrously.) The driver was "Indian Dick." A long talk followed in Siwash, the gist of which was that he had left some beaver in his cabin which we could have if we would send, or bring, some sugar and molasses candy out to him as soon as possible.

We found and enjoyed the beaver meat; a short time later he got what he had asked for; and the credit transaction was closed. An everyday affair.

We also borrowed a rifle which was returned some months later.

An Indian's word is his law. Woe unto the supposedly more civilized Easterner if he breaks the law.

EXPERT SERVICE in handling the business of out-of-town customers

IRVING-COLUMBIA customers outside of New York City are served by men who are thoroughly familiar with conditions in various parts of the country. Some of them have been bank executives in other cities; some have been representatives in the field.

Concentrated in the Out-of-Town Office, handling only the business of out-of-town customers, the service of these specialists is more than a convenience. It is a practical assurance that every out-of-town transaction will be handled with understanding, accuracy and maximum speed.

Through an Advisory Board whose members are representative of important industries of the Nation, the Out-of-Town Office is kept constantly in touch with the requirements of customers in different parts of the country.

And back of the Out-of-Town Office is the entire Irving-Columbia organization, with resources of \$400,000,000 and active financial contacts in practically every important business center of America and of the world.

IRVING BANK-COLUMBIA
TRUST COMPANY
NEW YORK CITY

JUNE, 1925

43

CREDIT JUSTICE

Report on Fund to Be Made
At Washington

By W. B. Munroe

Supplee-Biddle Hdwe. Co., Philadelphia
THIS is the year of years for the Investigation and Prosecution Department of the National Association of Credit Men, soon to be called the Credit Justice Department. Even before the great drive for a Prosecution Fund was started, the Department went forward with its liberal policy of handling cases offered to it.

At the Washington Convention of the Association, the following declarations will be offered by the committee.

Declarations

1—A great pride should be felt throughout the borders of the Association in the raising of a large fund for the suppression of commercial crime. Having at its birth in 1896 given the country a credit technique that has served as a stimulating basis for our commercial development, the tendency to a lower credit morale brought out the Association's developed powers and set it upon the most important project that was ever conceived for the protection of business.

2—The Credit Justice Department of the National Association of Credit Men should be regarded with extreme gratification by the entire membership and its protective services properly used. The fund raised for the suppression of commercial crime must be used for that purpose alone and to call upon the Department for services it is not designed to give nor was contemplated through the raising of the fund should be avoided by the members so that the administrators of the Credit Justice Department may proceed with their work along constructive lines and unhampered by requests not contemplated in the Department's scheme of service.

3—When throwing a cordon of protection around the Nation's credits from coast to coast, the most careful guidance of the Department's activities will be necessary and, therefore, in the selection of administrative committees and the Department's personnel, the very greatest care should be exercised, for efficiency is all-desirable in the Department's work and nothing should be permitted to hinder this efficiency. With an experience of seven years, the Association is qualified to broaden its activities in the commercial criminal field, and it will make a splendid return to contributors of the fund when operating with a proper understanding and moral support.

4—The Committee extends its sincere thanks to Mr. C. D. West, Manager of the Investigation and Prosecution Department for his zealous and devoted services.

5—The Committee also thanks Mr. Shealey, of Washington, for his assistance in the arduous work of the year.

6—The Committee offers sincere thanks to the Attorney General of the United States and his Assistants in the Department of Justice for their constant assistance in difficult situations and their manifest desire at all times to detect and to punish crime. Thanks are also extended to the Bureau of Inspection of the Post Office Department for its splendid assistance in cases of importance and without which their successful termination would have been difficult.

Dictate

"Now
vacations
won't hold up
business!"

START now to plan for summer! Call an Ediphone man! He will consult with you and definitely prove how the reduced office forces of vacation time will enjoy perfect correspondence service with the Ediphone. Dictation anytime is modern. Substitute stenographers are an old-fashioned expense.

Telephone the Ediphone, Your City,
or write

THOMAS A. EDISON, Inc., Orange, N.J.

Service Everywhere

Ediphone
Edison's New Dictating Machine
See the 1925 Executive Model

Color in an Office

(Continued from page 13)

of paper for letters, from the standpoint of eye comfort and effectiveness, it would seem that white paper ranks the highest and that slightly yellow paper takes second place.

It is certain evidence that any file cards or paper upon which accurate concentrated work is to be done, which would involve a close application of the eye, the deep colors of red and green and blue especially should not be used as these are likely to produce considerable eye fatigue.

In one wholesale house in New York, the file of addressing machine stencils serves also as the card file for credits. It happens that this particular company is made up of a consolidation of three firms. A heavy color line at the top of the card-

stencil shows the house the customer originally dealt with, which is an indication as to the line of goods he prefers. Every order that comes in is checked with the index, and this preference noted.

Where there are comparatively few salesmen covering distinct territories for a concern, it is possible to have the order blanks for each a different color. This is helpful in keeping them segregated in the files. It is a good plan to have different colors for invoices and statements; and inter-company reports and memoranda may receive better attention if by their colors they are known.

Colored Tacks for Maps

Office maps, which are dotted with various-colored tacks, to indicate sales or collections or office branches or some other thing, are too common to require much

mention here. Where charts are made periodically to show the progress of a company's sales, the standing of various offices, office accomplishment or anything else that can be charted, colors are of decided value in adding interest. Words speak; colors shout.

Let the artist praise, if he wishes, the glowing colors of a winter sunset and the designer rave over the dazzling colors of a ballet costume; but the office manager, who knows his business as well as the artist knows sunsets and who has his mind on figures while the designer has his on gowns, will realize that he too can use colors effectively, if less artistically. He knows that the comparison of rapidity to a streak of greased lightning is based upon the lightning's color as well as upon its grease.

STATEMENT OF THE OWNERSHIP MANAGEMENT, CIRCULATION, ETC. REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912

Of the CREDIT MONTHLY published monthly at East Stroudsburg, Pa., for April, 1925, State of New York
County of New York
ss.

Before me, a Notary Public in and for the State and county aforesaid, personally appeared William Walker Orr, who having been duly sworn according to law, deposes and says that he is the Editor of the CREDIT MONTHLY, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 443, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are:

Publisher, National Association of Credit Men, 41 Park Row, New York.
Editor, Rodman Gilder, 41 Park Row, New York.

Business Managers, None.

2. That the owners are: (Give name and addresses of individual owners, or, if a corporation, give its name and the names and addresses of stockholders owning or holding 1 per cent or more of the total amount of stock.)

National Association of Credit Men, a non-stock corporation with these officers: Eugene S. Elkus, The Elkus Co., San Francisco, Cal., President; A. J. Peoples, Detroit Copper and Brass Rolling Mills, Detroit, Mich., 1st Vice-President; Richard T. Baden, Holland, Baden & Ramsey, Baltimore, Md., 2nd Vice-President; J. H. Tregoe, 41 Park Row, New York, Executive Manager. William Walker Orr, 41 Park Row, New York, Assistant Secretary.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of the total amount of bonds, mortgages, or other securities are: (If there are none, so state.) None.

4. That the two paragraphs next above, giving the names of the owners, stockholders and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also the said two paragraphs contain statements embracing affiants full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the six months preceding the date shown above is..... (This information is required from daily publication only.)

RODMAN GILDER, Editor.
Sworn to and subscribed before me this 31st day of March, 1925.

(Seal) WALDO M. CHAPIN
Notary Public, Queens County, No. 795.
Certificate filed in New York Co., No. 260, Reg. No. 4254.

(My commission expires March 30, 1926)

Oldest Largest

Credit Managers who are considering protection for their book accounts should bear in mind these important points:

The American Credit-Indemnity Co. has been writing Credit Insurance longer than any other company. The American Co. writes more

Credit Insurance

than any other company in the world. It writes Credit Insurance exclusively.

The American Co.'s payments to bondholders far exceeds all other companies. It has the most efficient and widespread organization for the collection of delinquent accounts and the consequent reduction of losses to bond-holders.

Other interesting facts furnished free upon request.

**The AMERICAN
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OF NEW YORK** J. F. McFADDEN, PRESIDENT

Offices in all Leading Cities

New York, St. Louis, Chicago, Cleveland, Boston, San Francisco, Philadelphia, Baltimore, Detroit, etc

Addresses Wanted

ASUROWITZ, H. D., formerly of 173½ Jackson Avenue, Jersey City, New Jersey.

CARO, F., formerly of Long Beach, New Jersey.

DE DELTRAND, JEAN B., formerly connected with the Bellot Lease & Drilling Company, 295 Broadway, New York City. At one time was located in California.

EPPS, F. R., formerly of 4404 Monroe Avenue, Kansas City, Mo.

FINE, JOSEPH F., formerly located at Floral Park, Long Island.

GABEL, FRANK, New Brunswick, New Jersey.

GOULD, L. C., formerly General Manager of Bowman-Gould Company, Detroit, Mich.

GRABER, SAMUEL, proprietor of the St. Nicholas Dry Goods Store, formerly at 1340 St. Nicholas Avenue, New York City.

HANCOX, K. L., formerly located at Kinard, Florida.

INSCOE, HORACE C., trading as Inscoc & Inscoc, recently operated a furniture store at 2031 Nichols Avenue, Washington, D. C.

KAPLAN, SIDNEY, formerly operated the Belltone Radio Corporation, at 81 Crosby Street, New York City.

LIPKIN BROTHERS, formerly of Kingston, N. Y.

MALICOAT, H. H., a well driller, formerly at Mulberry, Indiana.

MAY, TOM L., Vance, Mississippi.

MILLER, C. A., recently located at 1538 Prospect Street, Indianapolis, Indiana.

MILSNER, H., last known address 1221 Madison Avenue, Grand Rapids, Michigan, formerly of Utica, N. Y., and Kalamazoo, Michigan. Also goes by name of Edward Milsner.

PETROW, RALPH, trading as the Sutphin Ladies Shop, at 91 Sutphin Boulevard, Jamaica, Long Island.

RANSFORD, ADDY, formerly under the name of Addy Ransford Dress Shop, at 713 Boardwalk, Atlantic City, New Jersey.

SMITH, ALLOWAY M., formerly in business in Atlantic City, New Jersey. Now reported to be in Brooklyn, N. Y.

SOUTH PHILADELPHIA JOBBING HOUSE, formerly operated by Hyman Kauffman, at 523 South Fifth Street, Philadelphia, Pa.

STOUT, ALBERT, formerly of 3114 Tracy Avenue, Kansas City, Mo.

TAUBER, JOSEPH, formerly in business at 2750 Diversey Avenue, Chicago, Illinois.

THORP, A. E., formerly of the Washington Times, Washington, D. C.

Members should be careful in dealing with an individual named F. A. Graham, of Buffalo, N. Y., who claims to be in the employ of the Dunlop Tire Company and having checks cashed on the strength of such alleged connection.

Positions Wanted

AN A-1 CREDIT MAN—Known personally to many N. Y. credit men. He's married and owns his own home—Christian—keen—and likeable. Five years export credit experience and over 20 years financial training including about 2 years financing. Now employed but, due to the withdrawal of one partner because of ill health, the company is liquidating—leaving him free to assume other duties. He is cheap at any figure under \$15,000 per year. Address advertisement 1051.

YOUNG MAN, 27—Now credit manager of a large Pittsburgh electrical jobbing house is desirous of making a change. Is a college graduate and has studied one year in law school. Has full charge of checking all credits and supervises all collection correspondence. Has plenty of pep and is not afraid of a real man's job. Is available at any time and is not obliged to remain in Pittsburgh. Salary matter of secondary consideration. Address Advertisement 1052.

CREDIT AND FINANCIAL EXECUTIVE—Available for a connection with a progressive organization offering opportunities for a larger usefulness. Has had abroad and varied experience in accounting, insurance, credits and collections, and income tax work. Twelve years with a prominent shoe manufac-

turer. Age 35, Christian, married; excellent health, pleasing personality, conscientious and a hard worker; good education; a-1 references. Salary commensurate with responsibilities, minimum \$4,500. Address Advertisement 1053.

CREDIT, OFFICE AND FINANCIAL MANAGER—Now employed in above capacity with the largest wholesale and retail general merchandise concern in the Southwest, having several branches and other connections, desires to become associated with some financially responsible and progressive organization where progress is assured, based on ability to produce results. Have 20 years' experience and can furnish A-1 references. Interview if desired. Age

40, married. Willing to locate anywhere in the U. S. Address Advertisement 1054.

ASSISTANT CREDIT MANAGER—I am seeking a connection as assistant to credit manager. Now with small manufacturing company as credit and collection manager. Can present unblemished record of nine years' employment. Age 27, married. Present salary \$2400. Will appreciate opportunity to discuss. Address Advertisement 1055.

YOUNG MAN—Age 28, liberal education, capable and well recommended, desires position as office assistant or department manager. Well balanced experience in industrial line. Address Advertisement 1056.

Will American Business Do Its Part To Uphold The Par-Paid Check?

THE maintenance and development of the par-paid check is not a matter of legislation. It is a question of getting the whole body of American business to set its face toward the par-paid check now made possible through the facilities afforded by the Federal Reserve System.

The National Association of Credit Men has presented what is clearly the most practical way that has been devised for business to express itself effectively for the one-hundred-cent check. Its plan, based upon the thought of appreciation to the banks that are paying their checks at par, calls for universal adoption.

If every concern in the country will use on invoice or statement heads one or the other of the Association's legends given below, it will mean that there will be literally hundreds of thousands of invoices and statements passing daily back and forth across the country carrying with accumulating force the influence of American business for the par-paid check—the check which is covered by the paying bank without deduction.

Through the clearance system of the Federal Reserve no bank need be put to any expense in paying its checks at distant points. This is one of the fruits of the Federal Reserve System which American business may enjoy if it will.

Indicate which of the two dies or stamps given below you prefer. It will be supplied without charge in rubber stamp or half-tone cut.

No. 1

SETTLEMENT MAY BE MADE BY ANY CHECK

PAYABLE AT PAR
through Federal Reserve System

No. 2

WE PREFER SETTLEMENT IF CONVENIENT
BY A CHECK

PAYABLE AT PAR
through Federal Reserve System

NATIONAL ASSOCIATION OF CREDIT MEN
41 PARK ROW, NEW YORK, N. Y.

Gentlemen:

Please send rubber stamp—half-tone cut—No. 1—No. 2.

Concern Name.....

Street Address.....

City & State.....

Directory of Officers

Affiliated Branches, Natl. Assn. Credit Men

Note: A. C. M. Means Association of Credit Men.

ALABAMA, Birmingham—Birmingham A. C. M. Pres., T. M. Nesbitt, Moore Handley Hdwe. Co., Sec.-Mgr., R. H. Eggleston, Lincoln Reserve Life Bldg.

ALABAMA, Montgomery—Montgomery A. C. M. Pres., J. M. Ledyard, Teague Hdwe. Co.; Sec., J. M. Holloway, 421 Shepherd Bldg.; Asst. Sec., Arthur Walker.

ALABAMA, Selma—Selma A. C. M. Pres., R. S. Carothers, Selma Hardware Co.; Sec., D. F. Gaines, Tissier Hdwe. Co.

ARKANSAS, Fort Smith—Fort Smith A. C. M. Pres., C. A. Goodwin, Williams-Echols D. G. Co.; Sec., Emmett Vick, Speer Hdwe. Co.; Asst. Sec., Mrs. E. M. Brogdon, 313 Merchants' Bank Bldg.

ARKANSAS, Little Rock—Little Rock A. C. M. Pres., A. B. Simmons, Doyle Dry Goods Co.; Sec., Wm. Nickell, Geyer & Adams Co.; Asst. Sec., A. Brooks-Gardner, 239 Hall Bldg.

CALIFORNIA, Los Angeles—Los Angeles A. C. M. Pres., W. W. Grether, Grether & Grether, Inc.; Sec., E. L. Ide, 312 East Third St.; Asst. Sec., Lucile M. Tracey.

CALIFORNIA, San Diego—Credit Association of San Diego, Pres., M. E. Burns, Klauber-Wangenheim Co.; Sec., Carl O. Retzlaff, 573 Spreckles Bldg.

CALIFORNIA, San Francisco—San Francisco A. C. M. Pres., C. H. Merrill, Holbrook, Merrill & Stetson; Sec., Felix S. Jeffries, 605 Wells Fargo Bldg.; Asst. Sec., D. G. Brown.

COLORADO, Denver—Denver A. C. M. Pres., R. M. Dulin, Gates Rubber Co., Sec., J. E. Roberts, Jr., McPhee & McGinnity Co.; Asst. Sec., James B. McKelvey, 414 Empire Bldg.

COLORADO, Pueblo—Pueblo A. C. M. Pres., S. H. Hill, Colorado Supply Co., Sec., Mgr., F. L. Taylor, 747 Thatcher Bldg.

CONNECTICUT, Associations of Credit Men—R. W. Maney, Joint Secretary, 1347 Fairfield Ave., Bridgeport.

CONNECTICUT, Bridgeport—Bridgeport A. C. M. Pres., L. M. Allen, Bridgeport Brass Co.; Sec., E. M. Beach, First Natl. Bank of Bridgeport.

CONNECTICUT, Hartford—Hartford A. C. M. Pres., E. S. Pierce, Pierce, Inc.; Sec., E. W. Vanderwarker, P. O. Box 925, Hartford.

CONNECTICUT, New Haven—New Haven A. C. M. Pres., Arthur Mahony, Sargent & Co.; Sec., Wm. E. Fertman, G. & O. Mfg. Co.

DIST. OF COLUMBIA, Washington—Washington, A. C. M. Pres., Frank W. White, Nat. Elec. Supply Co.; Sec., R. Preston Shealey, 725 Colorado Bldg.; Asst. Sec., Jno. A. Reilly.

FLORIDA, Jacksonville—Jacksonville A. C. M. Pres., H. A. Augustine, Am. Agricultural Chemical Co.; Sec.-Mgr., A. J. Brown, 37 West Adams St.

FLORIDA, Pensacola—Pensacola Credit Men's Assn.; Pres., H. S. Lurton, Lurton-Hardaker Co.; Sec., L. L. Fabinski, 200 American Nat. Bank Bldg.

FLORIDA, Tampa—Tampa A. C. M. Pres., N. M. McLeran, C. B. Witt Co.; Sec., R. G. Lamberton, G. Norman Baughman Co.; Mgr., S. B. Owen, 4-5-6 Roberts Bldg.

GEORGIA, Atlanta—Atlanta A. C. M. Pres., F. B. Ramey, The Texas Co.; Sec., C. L. Williamson, 503 Chamber of Commerce Bldg.

GEORGIA, Augusta—Augusta A. C. M. Pres., John Phinizy, Augusta Drug Co.; Sec., R. A. Heath, Heath, Holster & Turner; Asst. Sec., W. B. Oliver, 313 Lamar Bldg.

GEORGIA, Macon—Macon A. C. M. Pres., J. Tom Dent, Jaques & Tinsley Co.; Sec., Candler A. Brooks, Fourth National Bank; Asst. Sec., Mrs. A. F. McGhee, 5 Jaques Bldg.

GEORGIA, Savannah—Savannah A. C. M. Pres., E. M. Frank, Frank & Co.; Sec., L. R. Buckner, P. O. Box 1816.

IDAHO, Boise—Boise A. C. M. Ltd. Pres., C. F. Adams, Idaho Candy Co.; Sec., H. L. Streeter, 216-218 Boise City National Bank Bldg.

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